

## **Notes from CCIIO Meeting in Denver May 4-5, 2011**

Arkansas Insurance Department Staff (Cynthia Crone, Exchange Planning Director; Bruce Donaldson, Exchange Planning Specialist; Bob Alexander, Legal Counsel to Health Benefits Premium Rate Review; and Britton Kerr, AID Information Systems Specialist) attended the second DHHS Consumer Information and Insurance Oversight (CCIIO) Health Benefits Exchange Planning grantee meeting in Denver, CO, May 4-5, 2011.

The meeting was attended by representatives from 45 states, Washington, D.C., and four Territories. It highlighted the 11 core areas of Exchange establishment, allowing states to learn from one another. Those core areas are: Background Research, Stakeholder Consultation, Legislative and Regulatory Action, Governance, Program Integration, Exchange IT Systems, Financial Management, Oversight and Program Integrity, Health Insurance Market Reforms, Providing Assistance to Individuals and Small Businesses, Coverage Appeals and Complaints and Business Operations of the Exchange.

Joel Ario of CCIIO opened the meeting with a charge for states to address exchange development with a focus on high level consumer experiences while shopping for and enrolling in qualified health plans. He stressed the need for easy to use, understandable marketplaces where consumers could shop for and enroll in Medicaid, CHIP, Basic Health Plans or Private Plans with subsidies. It would be great to get the shopping experience down to 15-20 minutes. Three types of partnerships will be critical: State-Federal; Medicaid-Commercial Market; and Public-Private. Ten states have legal authorization for exchange development—the most recent Colorado and Hawaii.

Presentations and Presenters included:

Coordination of Medicaid and Exchange Efforts – Penny Thompson, CMS

Update from Early IT Innovator Grantees

Newly Released Guidance from CMS on Information System Needs

Legislation/Regulatory Actions and Governance

Lynn Dierker, National Academy for State Health Policy

Enrique Martinez-Vidal, Academy Health

Simonne Lawrence and Shelly Bain, CCIIO

Molly Voris, Washington State Health Care Authority

Consumer Experience – Enrollment System User Experience and Plan Selection Panel

Teri Shaw, Enrollment UX-2014;

Ted von Glahn, Pacific Business Group on Health

Tom Baker, University of Pennsylvania

Stakeholder Consultation Workshop

Panelists from Arkansas, Maryland, Tennessee, and National Academy of State Health Policy

Exchange IT Workshop

Kirk Grother and Mark Oh, CCIIO and CMS

Financial Management – Sharon Arnold, CCIIO

Program Integration Workshop

Panelists from Illinois, Missouri, Rhode Island

Business Operations of the Exchange: Engaging the Issuer Community

Laurie McWright, Sharon Arnold, Cara Lesser, and Donna Laverdiere, CCIIO

Copies of Presentation materials are provided with this meeting summary. Otherwise, some key points:

#### Exchange environment

- Market is broken.
- States versus Federal control of Exchanges.
- ACA gives States flexibility.
- Issues with Private Insurance vs. Medicaid-
  - Need Seamless enrollment capabilities.
  - Needs to be integrated.
  - Reimbursement levels should be same.
- People expect to get answers to their benefits options and whether they are eligible for financial assistance in 10-15 minutes on-line.
- Income Data- not going to be able to have perfect data on everyone- how do we get an acceptable level of accuracy?

#### IT Early Innovators

- Need plug and play
- Borrow technology from other states, no need to reinvent the wheel.
- Application lifecycle management needs to be on a cloud- data hub.
- Need University of Arizona model of procurement.

#### Financial Management Workshop

- 3 risk mitigating tools to spread the risk:

**Reinsurance** (a state initiative) - a temporary 3 year state program to reinsure both inside and outside the exchange. Contributions will come from all issuers inside or outside the exchange including self funded issuers. Can collect administrative fees associated with the reinsurance program.

**Risk Adjustment** (a state initiative) - intended to reduce risk potential to issuers. One carrier provides funds to another to even the playing field. Requires a lot of data to confirm adjustments. Need to identify high risk. Need to track payment from issuer to issuer. Has to be budget neutral.

**Risk corridor** (a federal initiative) - Used to mitigate risk with issuers that will set rates too high or too low. The 2 other risk adjustment mechanisms need to be in place before Risk Corridor.

- All three risk tools need to be in place before MLR is in place.
- Exchange needs an accounting method to be able to collect premiums/fees and then be able to pay out across all three risks.

### **Business Operations of Exchanges Workshop**

- Issuer engagement
  - Participation of issuers in Exchange is crucial- what if none want to?
  - Broaden community integration.
  - Need ongoing communication between Exchange and issuers.
- Plans will be accredited
  - Need to ensure ongoing quality
  - Feds will provide guidance
- Do we need a carrier workgroup?
  - To discuss issues of what it will take to participate.
  - Quality Assurance, rating issues, underwriting, IT Issues, how many benefit designs, actuarial issues and reinsurance possibilities.
- Plan for Baseline Federal Guidance.
- Role of OPM in national plan and role of the State.
- Very heavy reporting requirements may scare issuers from offering essential benefits in exchanges.
- The Essential Health Benefits package will be due in 2<sup>nd</sup> ruling.
- The first ruling will have guidelines for stand alone dental plans- quality, benefits etc.
- Insurance agents and brokers can be navigators, however, not the only navigators.

### **Exchange IT Workshop**

- Addressed what Feds and States are required to do to set up exchanges and create communication.
- A data hub needs to be formed so that communications between the federal government and all the states occur in a cloud. Data will be provided in the hub and states essentially retrieve what they need- all in real time.
- **IRS** alone has 10,000 IT employees and more than 500 different applications that all need to speak to each other and provide data the States require for financial authentication. Same with Home Land Security and other Federal divisions.
- Federal system is just a step ahead of where the States are in development of IT integration.

### **Stakeholder Consultation**

- State Reform presented their web-site for sharing between states.
- Tennessee and Maryland have each been holding Stakeholder meetings for about one year.
- Tennessee originally focused on health insurance industry—providers and producers—first finding out what they did not like about PPACA. Then they branched out to other stakeholders. TN does not yet have legal authority.

- Maryland began their work the day after ACA signed. They set a framework for governance prior to stakeholder involvement. The State decided the Exchange would be quasi-governmental to provide for needed accountability, transparency, and flexibility. They have had broad stakeholder involvement. Maryland has legal authority.
- Arkansas is early in stakeholder work. Initial, diverse workgroup meetings have been held; interdisciplinary Steering Committee appointed by Insurance Commissioner. AR does not yet have legal authority.



## State Exchange Grantee Meeting Denver, CO

May 5-6, 2011

---

### AGENDA

#### Thursday, May 5, 2011

- |  |   |
|--|---|
| 7:30am – 8:30am                        | Networking Breakfast  |
| 8:30am – 9:00am                        | Welcome and Vision<br><i>Presenter: Joel Ario, CCIO</i>   |
| 9:00am – 9:45am                        | Exchange Experience in 2014<br><i>Presenter: Penny Thompson, CMCS</i>   |
| 9:45am – 11:00am                       | Partnerships within the Exchange Environment:<br>Insurance, Medicaid, CHIP, and Other HHS Programs<br><i>Panelists: Michelle Stollo and Kirk Grothe, CCIO; Rick Friedman, CMCS; and Angela Sherwin and Deborah Florio, Rhode Island</i><br><i>Moderator: Ben Walker, CCIO</i>                                       |
| 11:00am – 11:15am                      | Break   |
| 11:15am – 12:30pm                      | Update from IT Early Innovators<br><i>Panelists: Early Innovator Grantees</i><br><i>Moderator: Susan Lumsden, CCIO</i>  |
| 12:30pm – 2:00pm                       | Lunch Plenary Session: Newly Released Guidance from CMS<br><i>Presenters: Ben Walker and Donna Laverdiere, CCIO</i>   |
| 2:00pm – 3:30pm                        | State Legislation/Regulatory Actions & Governance Session<br><i>Panelists: Lynn Dierker, National Academy for State Health Policy; Enrique Martinez-Vidal, AcademyHealth; Simonne Lawrence and Shelley Bain, CCIO; and Molly Voris, WA State Health Care Authority</i><br><i>Moderator: Jennifer Stolbach, CCIO</i> |
| 3:30pm – 3:45pm                        | Break   |
| 3:45pm – 5:00pm<br>(SELECT 1 WORKSHOP) | Stakeholder Consultation Workshop<br><i>Presenters: State Panelists including Arkansas, Maryland, and Tennessee; and Anne Gauthier, National Academy of State Health Policy</i>   |

**Exchange IT Systems Workshop**

**Presenters:** Kirk Grothe and Mark Oh, CCIIO; and CMCS Representative

**Financial Management Workshop**

**Presenter:** Sharon Arnold, CCIIO

**Friday, May 6, 2011**

7:30am – 8:00am

**Networking Breakfast**

8:00am – 9:10am

**Morning Plenary Session: Consumer Experience – Enrollment System User Experience and Plan Selection**

**Presenters:** Terri Shaw, *Enrollment UX 2014: Welcome to Coverage*; Tom Baker, *University of Pennsylvania*; and Ted von Glahn, *Pacific Business Group on Health*

**Moderators:** Lauren Block and Amanda Cowley, CCIIO

9:10am – 9:25am

**Greeting from the Honorable John Hickenlooper, Governor of Colorado**

9:25am – 9:35am

**Break**

9:35am – 10:50am

(SELECT 1 WORKSHOP)

**Program Integration Workshop\***

**Presenters:** State Panelists including Illinois, Missouri, and Rhode Island

**Exchange IT Systems Workshop**

**Presenters:** Mark Oh and Tyrone Thompson, CCIIO; and Rick Friedman, CMCS

**Business Operations of the Exchange Workshop: Engaging the Issuer Community**

**Presenters:** Laurie McWright, Sharon Arnold, Cara Lesser and Donna Laverdiere, CCIIO

10:50am – 11:00am

**Break**

11:00am – 12:15pm

(SELECT 1 WORKSHOP)

**Stakeholder Consultation Workshop**

**Presenters:** State Panelists including Arkansas, Maryland, and Tennessee; and Anne Gauthier, *National Academy of State Health Policy*

**Financial Management Workshop**

**Presenter:** Sharon Arnold, CCIIO

**Business Operations of the Exchange Workshop: Engaging the Issuer Community**

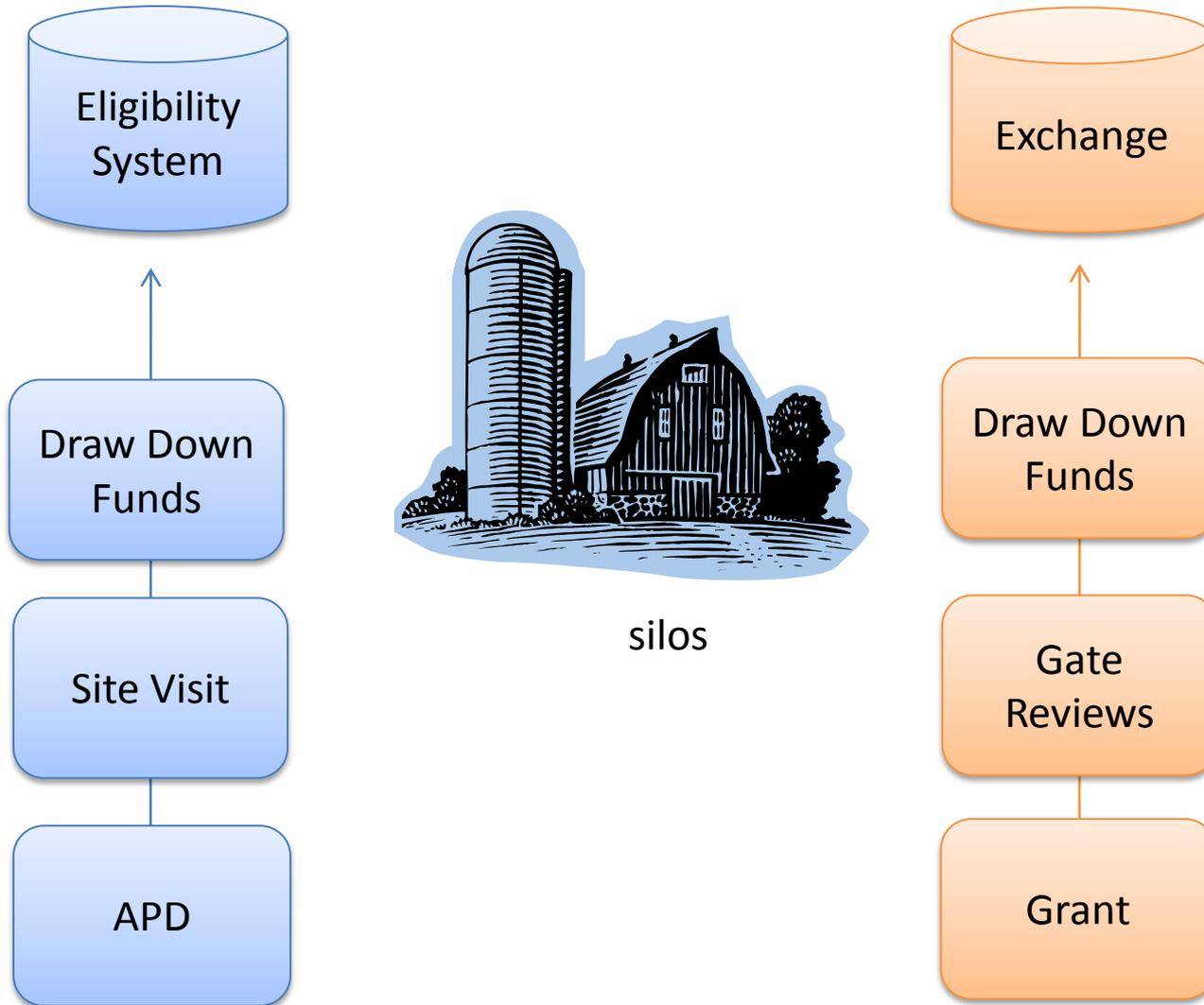
**Presenters:** Laurie McWright, Cara Lesser and Donna Laverdiere, CCIIO

12:15pm – 12:30pm

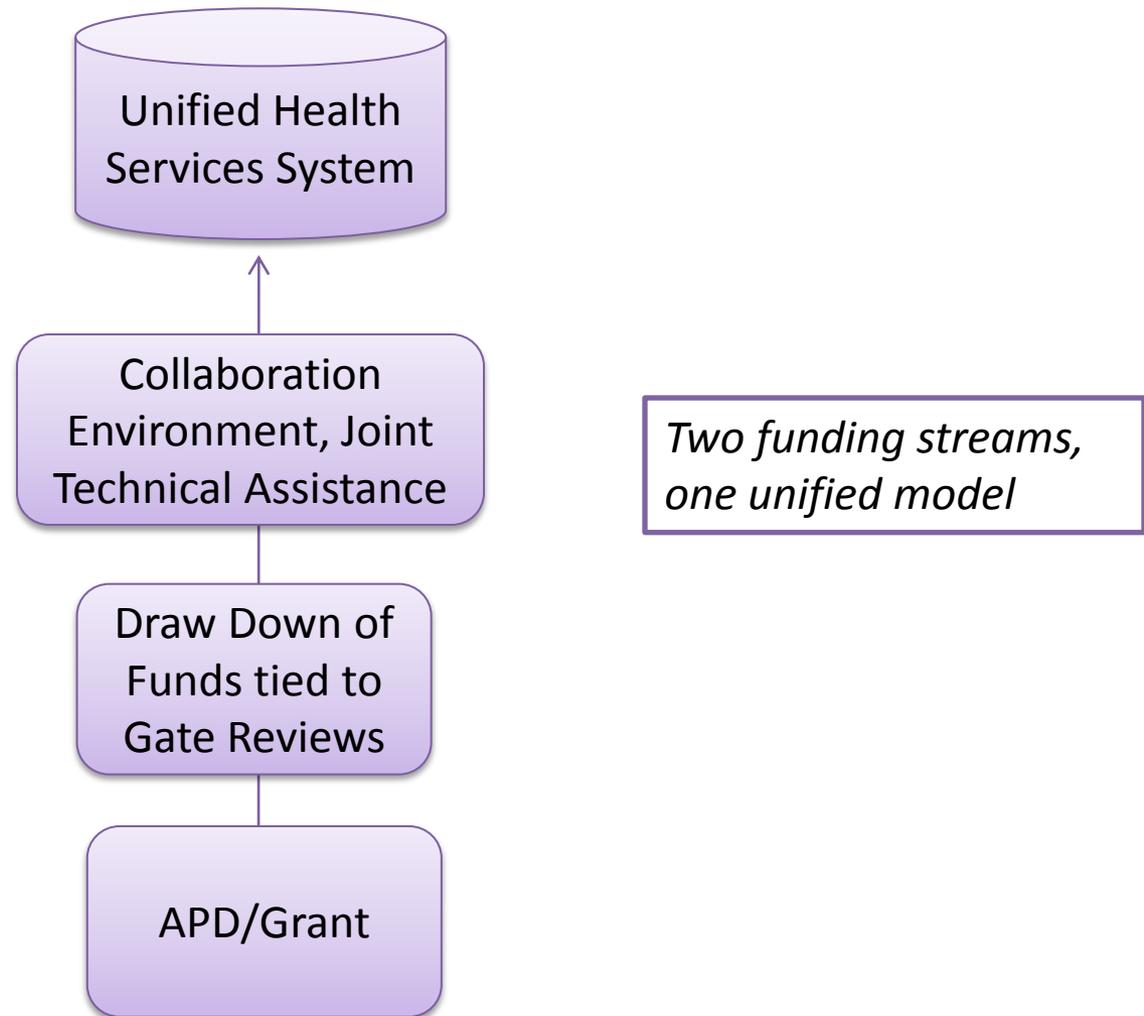
**Closing Remarks**

\*This Workshop is only offered at this time.

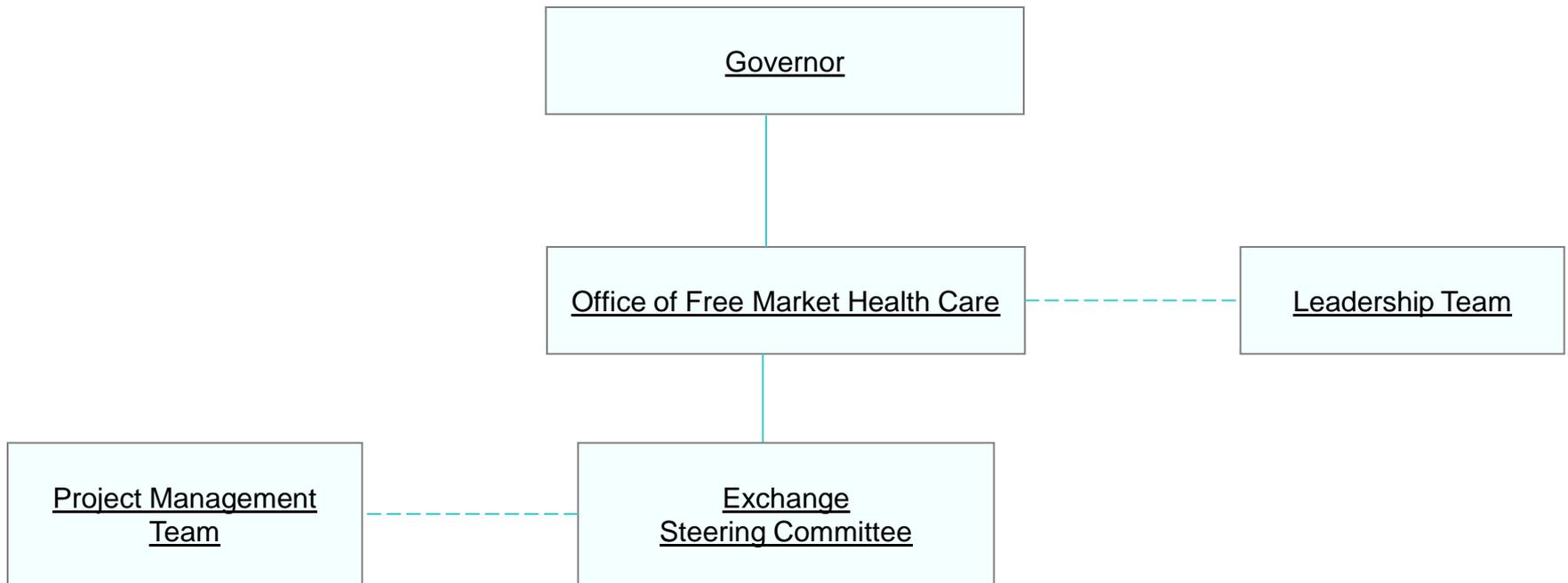
# How CMS Utilizes Operations



# Today's Vision for Medicaid and Exchange



# Wisconsin's Organizational Structure



# Wisconsin's Organizational Structure



## Leadership Team

Dennis Smith, DHS Secretary

Ted Nickel, OCI Commissioner

Brett Davis, DHS Medicaid Director

Dan Schwartzer, OCI Deputy Commissioner

Jennifer Stegall, OCI Policy Advisor

Craig Steele, DHS Project Manager

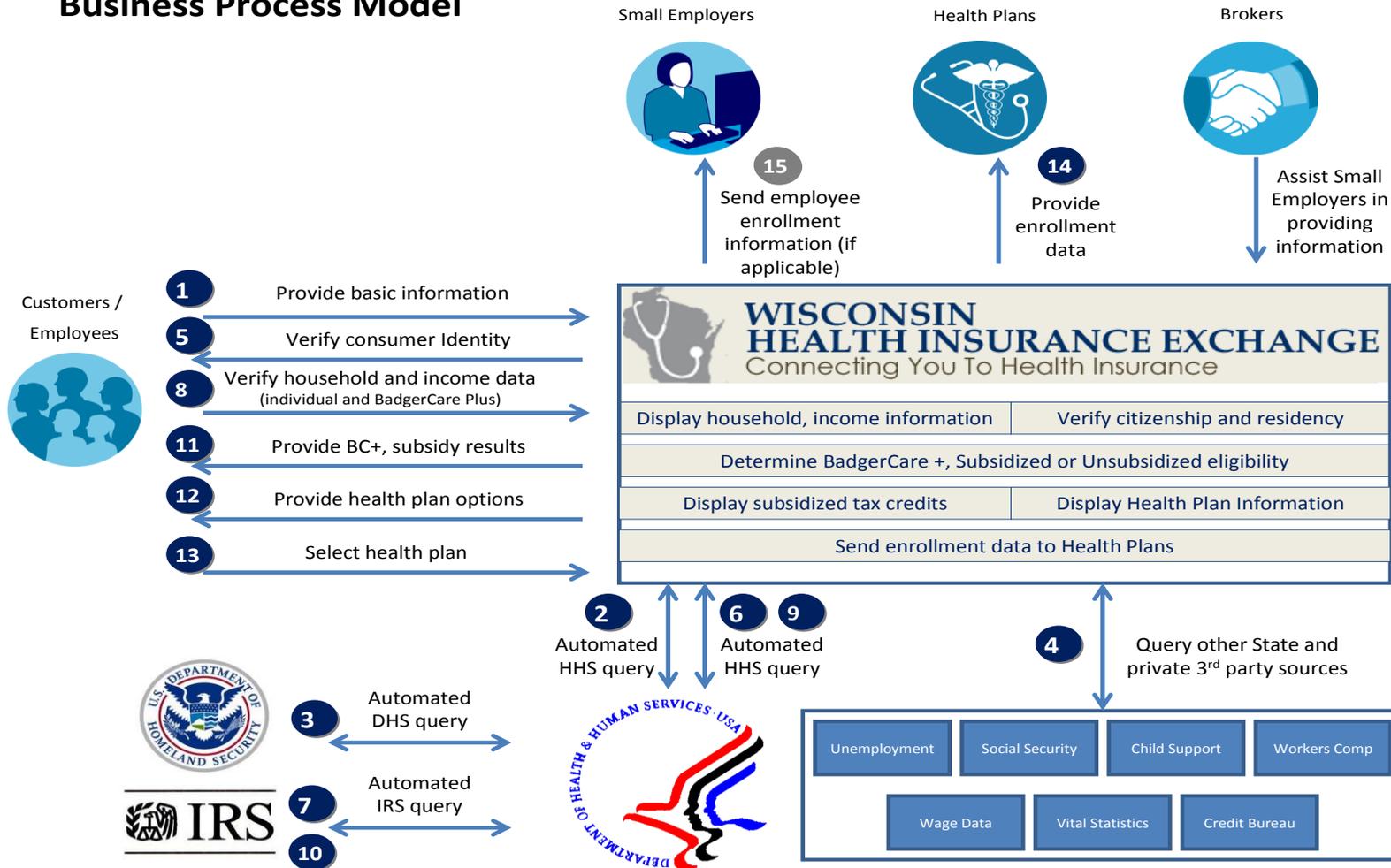
Eric Schutt, Governor's Deputy Chief of Staff

Kimber Liedl, Governor's Advisor on Health and Education

# WI Project Information (High Level Business Concept)



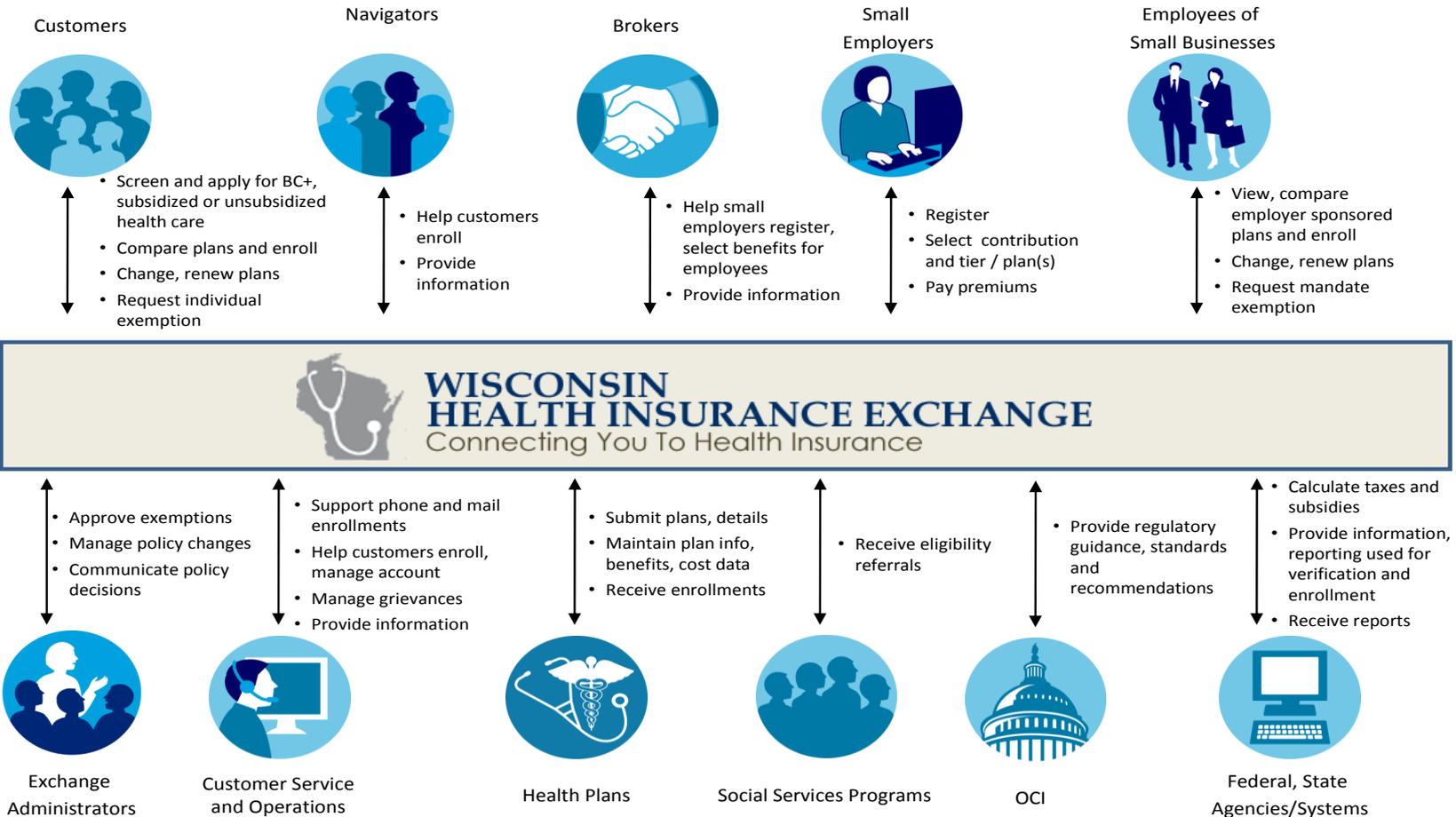
## Business Process Model



# WI Project Information (Operational Model)



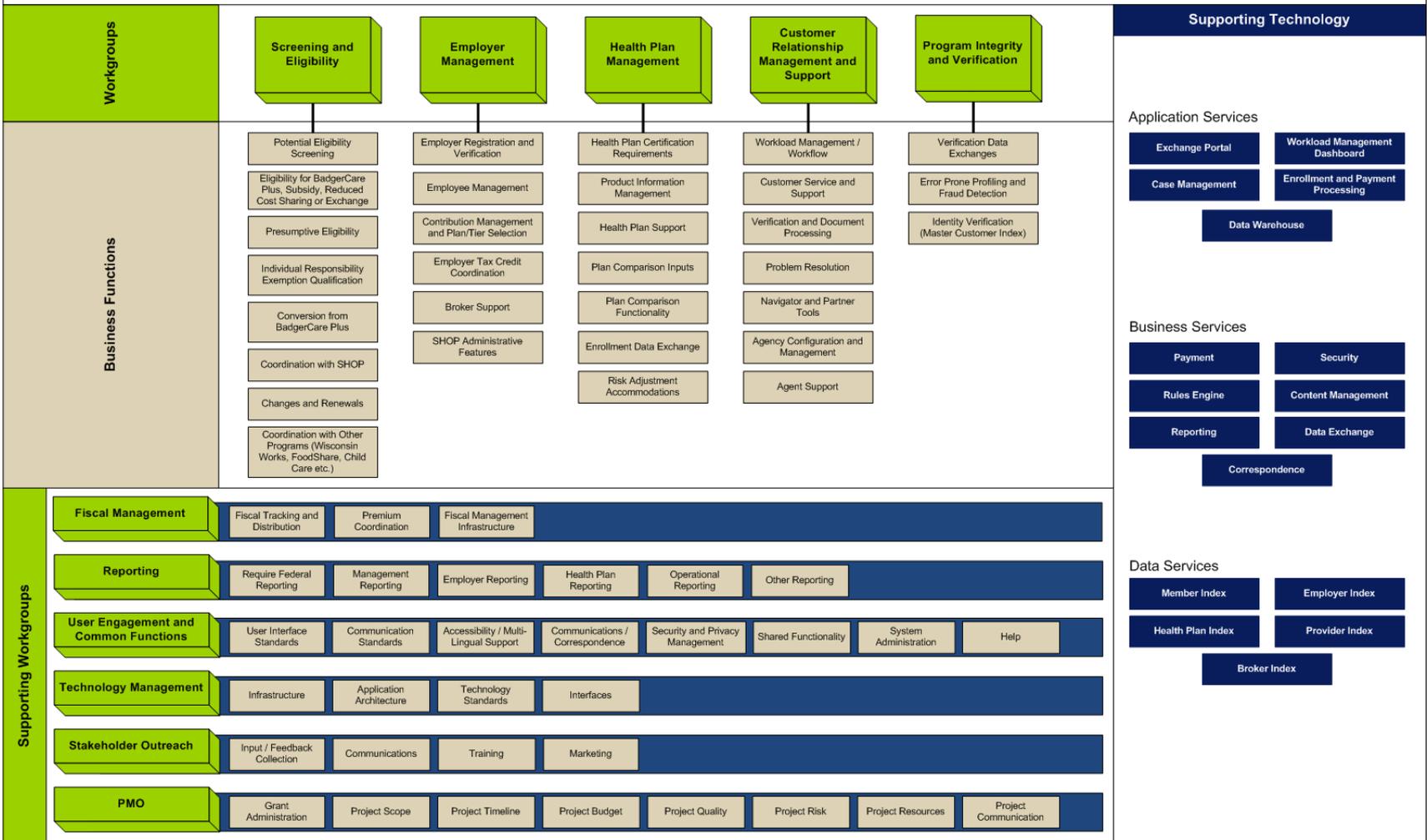
## Operational Model



# WI Early Innovator Scope Overview



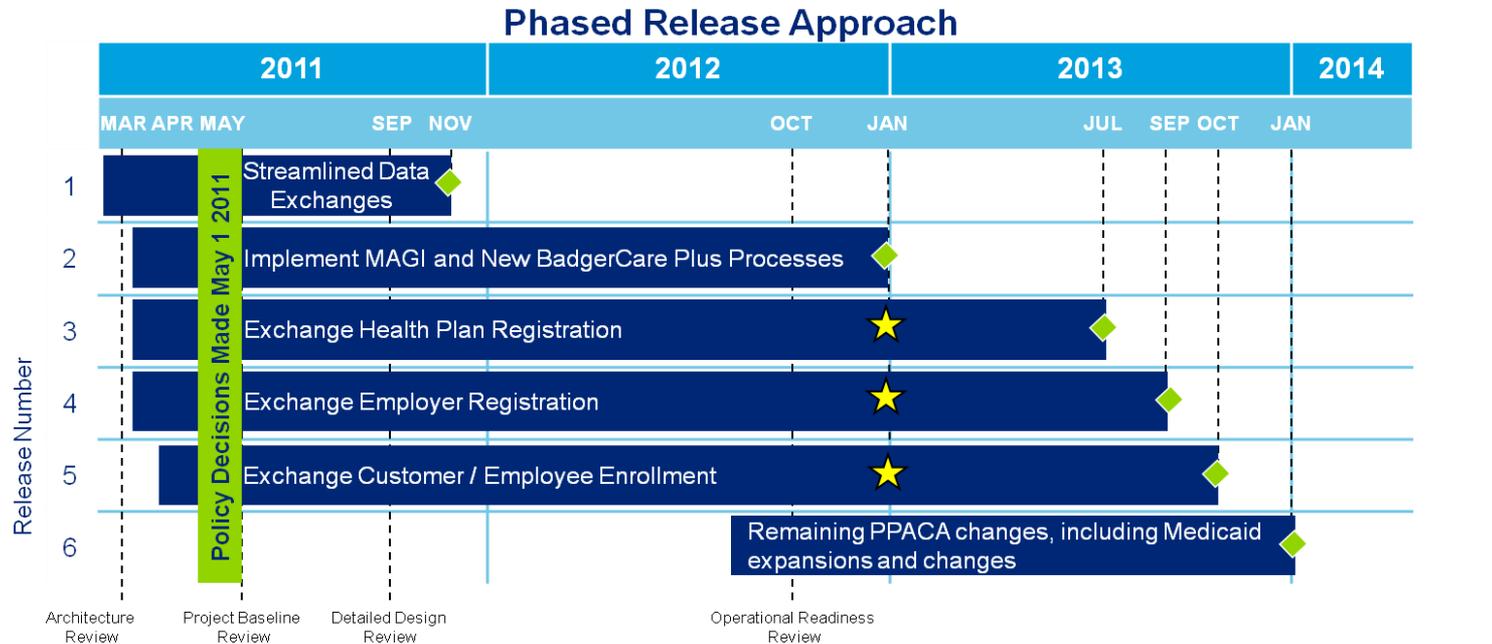
Wisconsin Health Insurance Exchange Workgroup and Business Function Alignment



# WI Release Plan



Wisconsin plans to use a phased release approach to implement the Exchange functionality.



- ◆ Stakeholder feedback will be collected throughout the process and after the completion of each phase.
- ◆ Projects will be ready for production use at the end of each release.
- ★ Project is ready for User Acceptance Testing and ready for transfer to other states.

Wisconsin - PBR

# WI Release Plan



The below outlines the proposed Exchange functionality release plan through January, 2014.



# State Legislation, Regulatory Actions and Governance

**CCIIO State Exchange Grantee Meeting  
Denver, Colorado  
May 6, 2011**

Lynn Dierker  
Senior Program Director  
National Academy for State Health Policy

# Key Points

- **Lessons learned** about the distinct nature of collaborative governance and major IT infrastructure development
- **Exchange will serve as a disruptive influence** for innovation in health environment
- **Form follows function** – key considerations relative to Exchange governance structure
- **Alignment is key** – The Exchange is one but not the only governance entity; the scope and authority of governance functions need to be aligned across the state landscape.

# Form follows Function

- **Vision:** Clear view of policy goals to be supported
  - Consumer focus and “culture of coverage”
  - Influencing the competitive insurance marketplace
  - Leveraging improvements in health care delivery
  - Aligning accountabilities for value, results
- **Business Strategy:** Determining Exchange Role
  - ? An impartial source of information on all qualified health plans?
  - ? A selective contractor that offers a limited number of health plans?
  - ? An active purchaser that negotiates with selected health plans?
  - ? A full service operation for eligibility and enrollment

# Core Governance Functions

- **Convening** – reliable mechanism for stakeholder input and involvement
- **Consensus** – reliable mechanism for negotiating stakeholder interests and consensus-based decision-making
- **Strategy** – influencing the marketplace for cost-effective, high value solutions
- **Solutions** - Filling gaps, reducing barriers, offering cost-effective solutions

# Governance Structure

- Legal Options
  - State agency or office: new or existing (e.g. UT)
  - Quasi-public entity: legislative authority (e.g. MA)
  - Non-governmental non-profit entity: policy direction via legislation, executive order (e.g CO?)
- Considerations
  - Operations
  - Accountability
  - Level of Impact on insurance/health care markets
  - Overall effectiveness for assisting states in achieving their goals

# Exchange as a State Agency

Strengths

May be a natural fit with a state agency

- Established credibility with purchasing, eligibility and enrollment
- Existing mechanism to coordinate with other agencies and programs
- Established/empowered mechanism to channel resources/supports
- Transparency, accountabilities in place (governor, public)

Challenges

May not be a fit with new insurance branding or business operations

- Subject to state procurement rules and personnel policies
- Less able to be nimble in response to market changes and consumer preferences

# Quasi-public or Non-profit

Strengths

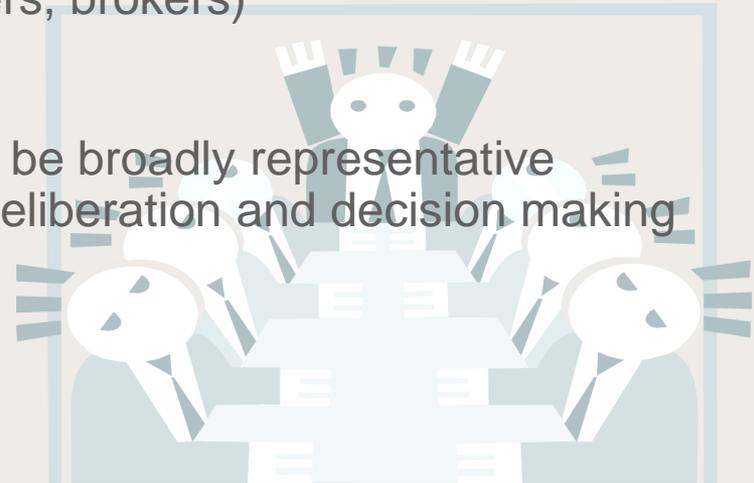
- Degree of insulation from political disruptions
- Flexibility beyond state government bureaucracy
- Hiring independent from state processes
- Potential to incorporate perspectives of a greater variety of stakeholders via Board structure

Challenges

- Governors may prefer to retain control of Exchanges;
- State may confront legal issues in trying to establish a non-profit;
- Higher cost to establish than using existing structure

# Creating a Governing Board

- **Role and functions**
  - Policy-setting and oversight
  - Degree of operations/services to be supported
- **Composition**
  - Public officials for accountability and coordination: executive branch (Medicaid, Insurance), legislature, ex officio status
  - Representative of population or of stakeholders?
  - Expertise needed (small business, providers, consumers, insurance)
  - Include industry? (insurers, providers, brokers)
- **Size**
  - Balancing act between size that will be broadly representative versus facilitating communication, deliberation and decision making
- **Selection of members**
  - By appointment? By vote?



# Other Considerations

- Business models/ sustainability
- Internal vs external business functions and business agreements/contracts across public and private entities
- Transparency (non-profit board vs public)
- Aligning governance for coordinated health reform policy implementation

# Aligning Governance

- Multiple entities are operating to provide governance over key aspects of policy implementation and infrastructure
  - HIE, Exchange, Medicaid, overall health reform
- Governance for IT implementation is inherently collaborative across the statewide IT enterprise
- Governance scope, accountabilities must be aligned for effective implementation
  - CIO, Exchange, Medicaid, HIE organization

Lynn Dierker  
Senior Program Director

[ldierker@nashp.org](mailto:ldierker@nashp.org)

[www.nashp.org](http://www.nashp.org)

**State Coverage Initiatives**



Robert Wood Johnson Foundation

# State Exchange Legislation/Regulatory Actions & Governance

## CCIIO State Exchange Grantee Meeting

May 5, 2011

**Enrique Martinez-Vidal**  
**Vice President, AcademyHealth**  
**Director, State Coverage Initiatives**



AcademyHealth

# Exchange Legislation – Current Standing

		Study - Passed	Study – Pending	Intent – Passed	Intent - Pending
Establish – Passed	4 (CA, MD, WV) (WA – not signed yet)				
Establish – Pending	18		1 (IL)		2 (HI, OR)
Establish – Did not pass	4	1 (MS)			1 (AR)
Study – Passed	2 (UT, WY)				
Study – Pending	2				
Intent – Passed	2 (VA) (ND – not signed yet)				
Intent – Pending	0				
No legislation introduced	14 (includes MA)				



# General Content of Legislation

---

- Where to Locate Exchange
- Governing Board & Related Issues
- Duties of the Exchange
- Financing Requirements



# Detailed Duties of the Exchange (1)

---

- Eligibility Determination and Enrollment
  - Medicaid/CHIP & Other Public Programs
  - Tax credits and cost-sharing arrangement subsidies
  - Facilitate purchase and sale of qualified health plans
- Qualified Health Plans/Insurance Markets
  - Certification/Decertification/Recertification
  - Establish enrollment periods
  - Track premiums in and out of the exchange
- Consumer Information and Assistance
  - Toll-free Hotline/Call Center
  - Interactive Website/Standardized format for benefit options
  - QHP rating information
  - Electronic calculator
  - Navigators

# Detailed Duties of the Exchange (2)

---

- SHOP Exchange
- Individual Responsibility Exemption Process
- Stakeholder Engagement Process
- Interface with Federal Agencies
  - Info necessary for enrollees to receive tax credits/other subsidies (including employees without offer or without an affordable plan)
  - Who is exempt from individual responsibility requirement
  - Employees who have reported a change in employer
  - Individuals who have ended coverage during the plan year (if an employee, exchange must also notify employer)

# Other Provisions States Have Included

---

- Enter into contracts, MOUs, coordinate with state agencies, promulgate regulations, etc.
- Collect premiums
- Consumer satisfaction surveys
- Grievance and appeals processes
- Develop guidelines to mitigate adverse selection
- Insurance producers
- Unified SHOP/Individual market exchange
- Legislative reports



# Financing Requirements

---

- Self-sustainability by 2015
  - Special fund establishment
  - No general funds
  - Assessments on carriers
- Financial integrity program
  - Fraud, waste and abuse



# THANK YOU!

---

## Contact Information:

[enrique.martinez-vidal@academyhealth.org](mailto:enrique.martinez-vidal@academyhealth.org)

202-292-6729

[www.statecoverage.org](http://www.statecoverage.org)

→ [www.statecoverage.org/health-reform-resources](http://www.statecoverage.org/health-reform-resources)





CALIFORNIA  
HEALTHCARE  
FOUNDATION

# First Class User Experience Design

---

## for Affordable Care Act Enrollment

CCIIO State Grantees  
May 6, 2011  
Denver, CO

Terri Shaw, Project Director  
Enrollment UX 2014

# Overview

1. Why focus on user experience (UX)
2. Partners
3. Design process
4. How states can get involved
5. Q & A

# Why Focus on UX

- ACA requirements & CMS guidance for Exchange, Medicaid, CHIP, BHP
- Enrollment Workgroup recommended standards, protocols and guidance
- Public testimony of IT vendors in this space
- NASHP “gap” analysis
- Human-centered design thinking matters...

\* Paving an Enrollment Superhighway: Bridging State Gaps Between 2014 and Today, March 2011

# UX Project Objective

Support best-in-class user experience to help ensure that large numbers of eligible consumers successfully enroll in and retain coverage

*“User Experience Design can positively impact the overall experience a person has with a particular interactive system.”*

Wikipedia



# We Live in a Digital Society



amazon.com



# Enrollment Will Largely Be Online



# Customer Service Expectations & Accountability



# Public-Private Partnership



# UX Design Partner



**SOCIAL SECURITY ONLINE**  
Official Website of the Social Security Administration

PROGRAMS SERVICES

Home • Programs • Retirement

## Retirement

Deciding when to apply for and start claiming retirement benefits is a personal decision.

**Understand Your Options**  
Many factors can affect your decision. First and foremost, people are working and living longer than previous generations. These trends are changing when and why people file for benefits. We'll outline the options so you can make the best decision for you.

**Apply In 3 Easy Steps**  
We invite you to apply for benefits online, at your own pace. It's a convenient and secure 3-step process from start to finish — learn, plan and apply. We're here for you every step of the way.

**Learn**  
Discover everything you need to know about Social Security retirement benefits.

**Plan**  
Use our planning tool to calculate rough estimates of how the decisions you make can affect your retirement benefits.

**Apply**  
Start the application process. When you're ready, we'll walk you through every step of the way.

LEARN NOW +

PLAN NOW +

APPLY NOW +

# Enrollment UX Design Process

Four design phases, over 26 weeks, with possible fifth phase TBD

Key design considerations:

- Centralization of design standards
- Re-use of key elements
- Broad distribution
- Usage at scale



# Research – Phase 1

## Understand needs of target users (6 weeks)

- Review Affordable Care Act requirements



- Conduct human factors research
- Assess mobile, smart phone and tablet platforms
- Review analogues

# “Mobile Web” Survey

	2009	2010
Adult laptop and cell phone Internet (mobile Web) use	51%	59%
African-Americans active use of mobile web	57%	64%
African-Americans & English-speaking Latinos ownership of cell phones vs. whites (2010)	87% - 80%	

26 million tablets will be sold in 2011, with nearly 51 million sold in 2012. By 2014, there will be 71 million tablet users in the U.S.

Forrester Research, January 2011

Source: Pew Internet and American Life Project, July 2010

<http://pewinternet.org>

# Strategy – Phase 2

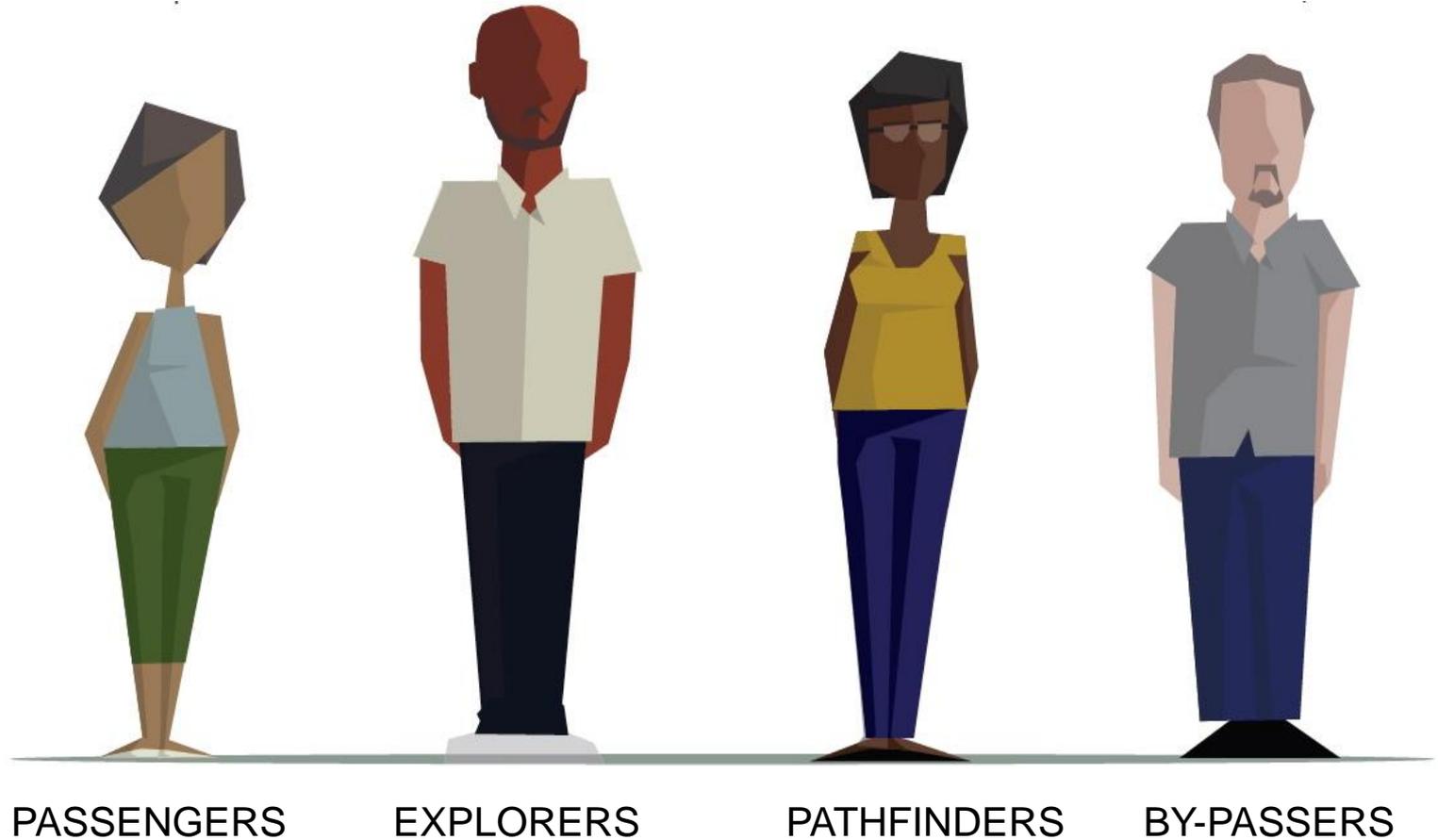
Translate / synthesize research (6 weeks)



- Develop design principles
- Behavior segmentation
- Initial design concepts
- Mobile recommendations
- 1-2 day strategy workshop

# Example of Behavioral Segmentation

From Social Security Administration UX Project



# Example of Behavioral Segmentation

Hold my hand through process



PASSENGERS

See all possibilities



EXPLORERS

Show me the process



PATHFINDERS

Get me to the finish



BY-PASSERS

# Initial Design - Phase 3

Define information architecture and develop user flows (7 weeks)



- Create wireframes to support various use cases
- Preliminary visual design direction
- Multiple user feedback sessions - test design concepts

# Refine Design / Communications Plan – Phase 4

## Documentation of visual and architectural design (7 weeks)



- Working functional prototype
- Detailed design specifications and manual; channel integration
- Design elements and visual style guidelines
- Communication materials for sharing design

# Code / Product Development – TBD

Develop programming resources to better integrate design elements into state-based systems (4-6 months)



- Explore use of template engine
- Offer no-cost perpetual software license

# How States Can Get Involved

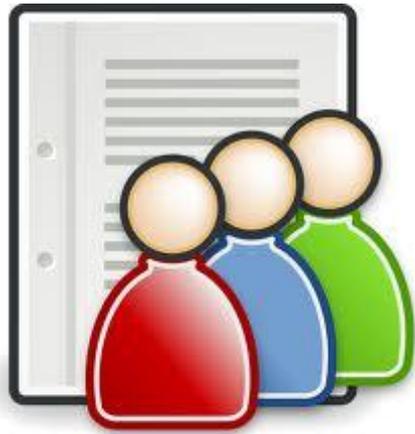
Contact Terri: [tshaw@childrenspartnership.org](mailto:tshaw@childrenspartnership.org) or  
510-967-3165

We'll send you:



- Detailed information about the project
- Participation requirements
- Request for Letter of Intent
- As a participant, access to social media collaboration software

# Enrollment UX 2014 - Initial Participants



- **Innovator States**

- New York
- Maryland
- Oregon

- **Other States**

- Colorado
- California

- **CMS** – Federally-Operated Exchange



# Questions & Answers

# **Plan Choice Consumer Decision Support for Health Exchanges**

## **Research Workplan & Deliverables**

By: Ted von Glahn,  
Senior Director, Consumer Engagement and Performance Information

May 6, 2011



# Pacific Business Group on Health Members



# Research Timeline Phase I Tasks

July 2011: Project start; research design refined; prepare online consumer panels

August-November 2011: Conduct online consumer panel choice experiments

October-November 2011: Conduct choice test in real-world plan enrollment setting

December 2011: Convert research results to IT vendor specifications & other deliverables.

## Research Topic

## Phase I Deliverables: Vendor Specifications

Number of plans to present

Rule defines optimal number of plans to set as default display  
Rule for user to add/subtract plans  
Rule to list order that plans are displayed

User shortcuts to choose plan

Rules for 'shortcut' choice -- user can invoke a shortcut and display a small set of plans

Number of plan choice elements

Inventory of health plan/other data variables to use in plan choice  
Rules to aggregate data into choice elements (cost, quality coverage)  
Number of choice elements for user to consider at one time

Customizing shortcuts

Questions for user -- customize plan compare to user preferences

Balancing cost, coverage, quality

Rules for user to sort/filter plan choice elements  
Best practices for web display and content to avoid user wrongly or inadvertently weighing choice elements

## Business Process

## Phase I Deliverables: All

IT Vendor  
Specifications

Business requirements for plan choice application procurement and development.

Health Plan  
Information  
Requirements

Health plan information dataset specifications for consumer decision support application.

IT Vendor  
Model RFP  
Language

Model vendor contract language to give state flexibility to implement desirable decision support services.

Enrollment &  
Eligibility Data

Enrollment and eligibility system data required to support plan choice decision support.

Health Plan  
Microsites

Health plan microsite requirements -- required information when user clicks into plan website (e.g., wellness services, etc.).

**Budget Phase I**  
**Plan Choice Research & Deliverables**  
**Penn/Columbia Research Group & PBGH**

**\$265,000**



**Funding**  
**Consortium of Interested States**  
**Foundation Support**

# Working with States

## (Webinar & Conference Call Exchanges)

Evaluate choice requirements – confirm user populations, public & private insurance programs, plan choice scenarios, etc.

Determine plan choice deliverable packaging for incumbent vs. new IT vendors; use of existing and/or new systems

Review & refine plan choice experiments. Report on interim research results

Review draft deliverables. Present research findings and IT vendor and plan specification deliverables

# Putting the Research to Use

- ✓ IT vendor requirements for plan choice
  - Business requirements
  - Model RFP language
- ✓ Health plan requirements for plan choice
  - Data elements
  - Plan microsites

# Next Steps

Interested States invited to conference call

➤ May 24, 1:00pm ET

1-800-615-2820 Passcode: 4156156318#

Contacts:

Tom Baker: [tombaker@law.upenn.edu](mailto:tombaker@law.upenn.edu)

Ted von Glahn [tvonglahn@pbgh.org](mailto:tvonglahn@pbgh.org)

# Helping The Health Care Exchanges

Consumer Decision Support Services for Health Exchanges  
May 6, 2011

Tom Baker, Law School, University of Pennsylvania

## Main challenges in complex decisions

- 1. Capacity:** People's capacity is very limited: They are very affected by the way information is presented.
- 2. Goal Neglect:** People overemphasize the present over the long term.
- 3. Differences:** People have different needs, knowledge, desire for knowledge, preferences, etc.
- 4. Scientific knowledge:** Information comes from multiple domains, none of which fully understand health/insurance.

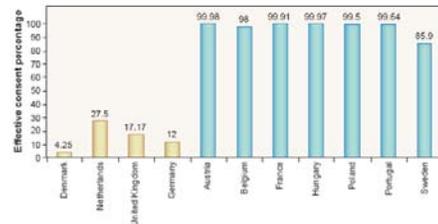
## Choice Architecture

How Information is Presented Makes a Difference

Some Concrete Examples:  
Selecting No Action Defaults.  
Order of options: How they are sorted.  
Reminders: Attributes, nationalism

## No Action Defaults

- Defaults Matter



Many, many other examples: 401(k) enrollments, Auto insurance

## Order and Sorting

- If an attribute is first, or the information is sorted on that attribute, the attribute will have more impact.
- Example: Online Wine Store.
  - Sort by Price
  - Sort by Quality (Wine Spectator Rating)
  - Influenced both initial and *repeat* purchases.

## Bottom line

- **Very subtle changes in the ways in which**
  - information is presented (decision architecture) and
  - in the ways in which we process it (reminders)

**have important implications to the decisions that we make.**

- There are two crucial points here:
  - There is no neutral display
  - People cannot report these effects

## Challenges & design principles

Challenges	Product Design Principles
<p><b>1. Capacity:</b> People's capacity is very limited</p> <p><b>2. Goal Neglect:</b> People overemphasize the present over the long term</p> <p><b>3. Differences:</b> People have different needs, knowledge, desire for knowledge, preferences, etc.</p> <p><b>4. Scientific knowledge:</b> Information comes from multiple domains, none of which fully understand health/insurance.</p>	<p><b>Principle I:</b> Smart &amp; customized choice sets, and defaults within the sets</p> <p><b>Principle II:</b> Simplify and increase visibility of information related to long terms goals</p> <p><b>Principle III:</b> Smart &amp; customized information presentation (multi-layered sites)</p> <p><b>Principle IV:</b> Exchanges should collect data and use targeted randomization to learn how to better meet these challenges.</p>

## Deliverables: Research Agenda

Research output deliverables	Research questions to inform research output	Hypotheses
Recommendation for the optimal number of options	Test various options and see how many people decide, how quickly, and if they abandon choice	Set size should range from three to five, perhaps depending on the consumer, but on average, do not present all relevant choices.
Proposed shortcut choice option(s)	Test the impact of providing various options for ways of limiting information to see which one encourages use.	People will prefer and make better choices if we present them with the option of choosing a way of making the choice.
Recommended number of dimensions	How many financial and quality features can people efficiently process? Can these attributes be combined?	The number will be quite limited. There is a tradeoff between providing an attribute that informs people, at a cost of confusion or disengagement from the decision.
Suggested methods for customizing the shortcut option	1. Ask vs. Tell: How much can we gain from simple questions such as age, gender, weight, etc when aided by data vs. more complete description of health? 2. What is people willingness to input the info and use the short cut?	1. A set of simple general questions might be as good as or better than user input. 2. If explained correctly, the customization will produce more adoption of plans, satisfaction in consumers, and better plan choice.
Suggested ways to encourage the right weighing of price and quality	1. Are people weighting price and quality correctly? What methods successfully increase an attributes weight? 2. Do these need to be passive (order, ranking) or active (text)?	1. People may overweight premium costs at time of decision, deest out of pocket payments. 2. Quality, because it is harder to understand, can be underweighted.

Arkansas Insurance Department  
**Arkansas Health Benefits Exchange Planning**  
**Stakeholder Consultation Workshop**

CCIO Grantee Meeting – Denver, CO

May 5-6, 2011

Contact Information: Cynthia C. Crone, APN

Health Benefits Exchange Planning Director

Arkansas Insurance Department

1200 West 3<sup>rd</sup> Street, Suite 201

Little Rock, AR 72201

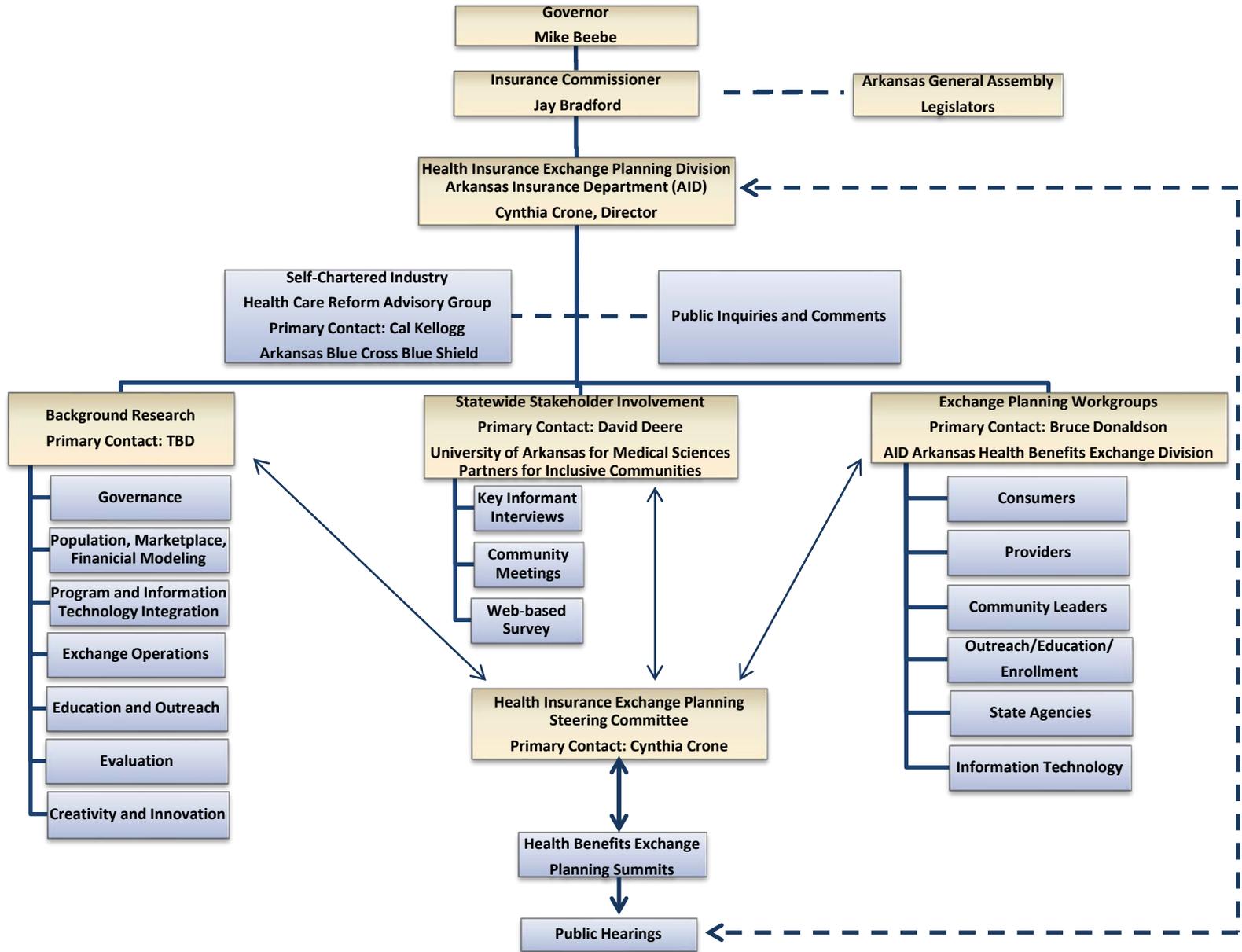
Phone: 501-683-3634

Fax: 501-371-2629

Email: [Cynthia.Crone@Arkansas.Gov](mailto:Cynthia.Crone@Arkansas.Gov)

- I. Governor Mike Beebe delegated Exchange Planning Authority to Arkansas Insurance Commissioner, Jay Bradford: Exchange Planning Grant located within Arkansas Insurance Department
- II. 88<sup>th</sup> Arkansas General Assembly (January – April, 2011)
  - a. Failed to pass Exchange Enabling Legislation
  - b. Passed Arkansas Insurance Department Appropriation Bill on 4<sup>th</sup> vote
- III. Commissioner Bradford is strong consumer advocate
  - a. Committed to genuine Stakeholder Involvement in Exchange development
  - b. Committed to hear from broad constituencies, including consumers, producers, and industry
  - c. Key Stakeholder Groups (see chart) outlined for work
- IV. Stakeholder Process Launched in April – Steering Committee appointed

# Arkansas Health Benefits Exchange Planning Stakeholder Involvement



# Maryland Health Insurance Exchange

---

## Stakeholder Consultation

Nicole Dempsey Stallings, MPP  
Sr. Policy Advisory to the Secretary

# Timeline for Stakeholder Consultation



# Stakeholder Engagement in State “T”

May 4, 2011

## Process followed purpose

- **To provide facts and dispel myths:** public presentations, white papers
- **To hear concerns:** roundtables
- **To get feedback:** surveys, Friday office hours, insurance.exchange@\_\_.gov
- **To identify and answer key policy questions:** committees (or TAGs)
- **To promote transparency:** post everything; send monthly updates

*Key message: For us, process is not an end to itself. Other states, though, have different traditions of participatory engagement.*

## What were our policy questions?

- Should we combine individual and small group market risk pools?
- How should we define “small group” for 2014-15?
- How should we define rating areas?
- How should we treat groups of one?
- What benefit/premium tier structure makes sense for the exchange?
- How can we address adverse selection?

*Key message: Hmmm... This is all about technical insurance issues.*

## Who did we engage for nominations for the initial TAGs?

- Actuaries
- National Association of Health Underwriters (NAHU) – state/local chapters
- National Association of Insurance and Financial Advisors (NAIFA) – state/local chapters
- Insurers of State “T” (independent agents)
- Insurers/carriers
- America’s Health Insurance Plans (AHIP)
- News articles with insurance.exchange@\_\_.gov

*Key message: The experts were appropriate to the nature of the need. Not the usual questions, so not the usual suspects.*

## More generally, why engage producers?

- Producers are typically most informed, opinionated, and enfranchised
- Producers perform a function that the SHOP cannot: providing business advice
- Producers can leverage relationship with history and trust that new exchanges won’t have
- Local producers are key to enroll hard-to-reach populations (e.g., rural residents)

## Suggestions for work with producers

- Ensure representation from agencies of different sizes, with different business foci, and from different regions (e.g., agencies that focus on individual rather than small groups, that focus on worker comp and only dabble in health care, and that focus rural areas)

- Get and keep insurers in the room (e.g., to distinguish the changes to commissions due to MLR and those associated with exchange)
- Put them in charge on solving a policy problem with constraints that you face (e.g., enrolling uninsured working adults above 138% or 200% FPL; our TAG suggested a producer incentive for enrolling persons who have been uninsured for past 12 months)

*Key message: Enjoy both the “Queen-for-a-Day” and “Inside Baseball” effects.*

#### **Key questions from producers (agents and brokers)**

- Should producers and Navigators to focus on different populations?
- How will the exchange distinguish functions of producers from those of Navigators?
- When must Navigators be licensed by your DOI?
- When can producers establish subsidiaries that could qualify as Navigators?
- How will producers be credentialed on the exchange?
- How will producers be compensated by the exchange and/or carriers?
- To what extent will the exchange sell ancillary products (e.g., vision, life, etc.)?

#### **How did we engage other stakeholders?**

- Met with all lobbyists early in the process
- Presentations, 1<sup>st</sup> wave: NFIB, Chambers, NAHU, NAIFA
- Alerted legislators to meetings in their districts
- Roundtables: all provider associations, advocacy groups
- Presentations, 2<sup>nd</sup> wave: provider associations, advocacy groups

#### **What did other stakeholders want to discuss?**

- Provider network adequacy standards
- Provider rates
- Essential health benefits and benefit mandates
- Eligibility process for Medicaid, CHIP, BHP
- Portal requirements
- Mitigating churn

*Key message: After the Feds speak, let’s talk. Until then, we need to focus on those matters within the domain of state policy-making.*

#### **What are the next steps?**

- New policy questions → new TAGs
- Sharing information on 3R’s
- Policy matrix
- White paper(s)
- Public meetings/comment across the state (90 minute sessions, each with three 30-minute blocks of overview of the exchange, general Q&A, feedback on white paper)

*Key message: We’ll adapt as necessary – but once we have a good idea of what might make sense for our state, we’ll solicit and provide accessible venues for broad public input.*

# Progress on Stakeholder Engagement in the States

*A Look at Resources Available through  
StateRefor(u)m.org*

**Anne Gauthier**

Senior Program Director,

National Academy for State Health Policy

May 5-6, 2011

Stakeholder Consultation Workshop,

State Exchange Grantee Meeting, Denver, CO

- Staterforum.org is a space for:
  - Peer-to-peer learning and discussion
  - Exchanging reform ideas
  - Posting, organizing, and sharing useful state documents
  - Announcing off-line events and activities
  - Spotlighting the keys to successful implementation
  - Mapping states' progress in implementing health reform

# Homepage

## Welcome to State Refor(u)m

Click the video below to learn how State Refor(u)m can help states find the information they need for successful health care reform implementation.



### welcome!

Register to use State Refor(u)m! Registered users can:

- Participate in discussions
- Upload examples of your state's work
- Network with other users

 [Create a profile](#)

Register here!

### most recent documents

 VA Enacted Legislation to Establish Exchange  
[download](#)

 Nevada MBR Waiver Request  
[download](#)  
Individual Market

 Job Description -NE Medicaid Medical Home Program Coordinator  
[download](#)



find lots of documents in one place

Click on an indicator in the green slider under the video.

### most active indicators

Go to indicator

#### Be Strategic with Insurance Exchange

40 states  
239 discussions  
32 people  
154 documents

#### Develop a Coordinated Approach to Implementing the ACA

29 states  
76 discussions  
7 people  
85 documents

#### Engage the Public in Policy Development and Implementation

39 states  
70 discussions  
12 people  
10 documents

### State Refor(u)m news

The latest newsletter is out!

# Nation Page

staterreform [beta]

home states nation a-z blog

**((( National milestones by progress indicator**

Choose an indicator to see all related documents, discussions, states, and participants. Choose a milestone to join that national-level discussion, and find links to state-level discussions.

**((( Develop a Coordinated Approach to Implementing the ACA**

- ➔ Designate a lead person or entity to coordinate the state's implementation of the ACA
- ➔ Form or designate a coordinating body with representation from key state agencies relevant to implementation of the ACA
- ➔ Develop one master, cross-agency implementation work plan and timeline

+ more

**((( Be Strategic with Insurance Exchange**

- ➔ Decide whether to establish a state, sub-state or multi-state Exchange or refer to the federal government
- ➔ Solicit stakeholder input on Exchange design
- ➔ Determine policy goals for the Exchange
- ➔ Establish governance of the Exchange
- ➔ Define the health plan selection strategy

+ more

welcome to the nation page

Get new health care reform implementation ideas from other states! Choose any indicator in green box at left. You'll see many states' documents and discussions.

Want to upload a document from your state? Start by selecting your state on the states page.

find lots of documents in one place

Health care reform efforts are organized into 11 progress indicators that states need to get right if they are to be successful with implementation.

One indicator specifically calls for public engagement, another highlights Exchange development

medical homes

- ➔ Revisit relationships with SNPs in the context of

+ more

**((( Pursue Population Health Goals**

- ➔ Define priority population health goals that align with national priorities and funding strategies established through the ACA
- ➔ Link population health strategies to those implemented in Medicare, Medicaid, CHIP, Exchange plans, and the private market

improvement with selected benchmarks

- ➔ Identify current statewide data reporting

+ more

**((( Engage the Public in Policy Development and Implementation**

- ➔ Engage a diverse and representative set of stakeholders in the policy development and implementation process
- ➔ Conduct outreach to underserved communities within the state in order to engage them in the policy development process

- ◆ Engage the Public in Policy Development and Implementation
- Regulate the Commercial Health Insurance Market Effectively
- Simplify and Integrate Eligibility Systems

# Milestones

## Engage the Public in Policy Development and Implementation

- ➔ Engage a diverse and representative set of stakeholders in the policy development and implementation process
  - ➔ Conduct outreach to underserved communities within the state in order to engage them in the policy development process
  - ➔ Create mechanisms for obtaining consumer input into all formal implementation processes
  - ➔ Maintain a website or webpage that apprises the public of opportunities for input and decisions made
  - ➔ Establish a system for tracking and reporting consumer complaints
  - ➔ Implement the nursing home resident complaint
- less

## Be Strategic with Insurance Exchange

- ➔ Decide whether to establish a state, sub-state, or multi-state Exchange or defer to the federal government
  - ➔ Solicit stakeholder input on Exchange design
  - ➔ Determine policy goals for the Exchange
  - ➔ Establish governance of the Exchange
  - ➔ Define the health plan selection strategy of the Exchange
  - ➔ Develop an implementation plan and timeline for
- for completion by 2010
- ➔ Develop a strategy for educating consumers and employers about their rights and responsibilities regarding the Exchange
  - ➔ Test the Exchange's functionality with individual and small employer users
  - ➔ Develop financial reporting, audit, internal controls, accounting policies, and other related

Under each indicator are detailed steps called **milestones** that states need to accomplish in order to make progress toward the completion of an indicator.

# Indicator Page- Engage the Public

These boxes will give you access to all documents and conversations related to the public engagement indicator, organized by state or at the national level

statereform [beta]

home states nation a-z blog

A-Z > Engage the Public in Policy Development and Implementation

Engage the Public in Policy Development and Implementation

10 documents | 12 people | 69 milestones | 39 states | 70 discussions

Establishing a routine and meaningful information flow between key stakeholders and government officials offers opportunities to secure ideas for improvement, build support for specific implementation plans, and leverage resources to the benefit of all. [read more](#)

10 documents

- MD Update on Coordinating Council Workgroup Activities [download](#)
- MD Public Input Process [download](#)
- MD Overview of Current Outreach Resources [download](#)
- MD Education and Outreach Workgroup Report to Council [download](#)
- WV Exchange Stakeholder Engagement Strategy [download](#)

all

69 milestones in 39 states

- Milestone: Maintain a website or webpage that apprises the public of opportunities for input and decisions made [comments 1](#) | [people 1](#) | [documents 0](#)
- Milestone: Maintain a website or webpage that apprises the public of opportunities for input and decisions made [comments 1](#) | [people 1](#) | [documents 0](#)
- Milestone: Engage a diverse and representative set of stakeholders in the policy development and implementation process [comments 1](#) | [people 1](#) | [documents 0](#)

all

12 people

- Jason Buxbaum Maine
- Rachel Dolan District of Columbia
- Katharine Witgert District of Columbia
- Laura Grossmann District of Columbia
- Lorez Meinhold Colorado

all

interested in public engagement?

discuss it here:  
Engage a diverse and representative set of stakeholders in the policy development and implementation process

6 national discussions about Engage the Public in Policy Development and Implementation [Just Milestones](#)

# Indicator Page- Exchanges

A-Z > Be Strategic with Insurance Exchange

## Be Strategic with Insurance Exchange

154 documents | 32 people | 224 milestones | 40 states | 230 discussions

Insurance Exchanges will have a vital role in the marketplace, helping consumers shop for, understand, and purchase coverage. States can also use Exchanges to shape the quality and cost of plans. [read more](#)

154 documents

California Exchange Legislation: 2011  
download

CA Exchange Legislation: AB 1602  
download

OH Health Benefit Exchange Planning  
Grant Application  
download

RI Health Benefit Exchange Act  
download

CA Application for Exchange Planning Grant  
download

all

224 milestones in 40 states

Milestone: Decide whether to establish  
state, sub-state, or multi-state Exchange  
or defer to the federal government  
comments 1 | documents 2

Milestone: Decide whether to establish  
state, sub-state, or multi-state Exchange  
or defer to the federal government  
comments 4 | people 2 | documents 2

Milestone: Establish governance of the  
Exchange  
comments 3 | people 2 | documents 0

all

32 people

Chris Antrell  
District of Columbia

Katharine Fogel  
District of Columbia

Rachel Dolan  
District of Columbia

Jason Buxbaum

Laura Grossmann  
District of Columbia

all

new exchange resources

Check out the discussion of Wisconsin's Exchange, including a link to the prototype and a survey posted by Sabrina Fox

 16 national discussions about Be Strategic with Insurance Exchange

Just Milestones

Indicator page details include which states and people are discussing issues related to that indicator. A total count of documents is also available

# States Page

On the "states" page, you can get a full picture of states' progress toward completion of an indicator; in this case, the "Be Strategic with Insurance Exchange" indicator. Also noted below are the states that have made the most progress on this indicator

The screenshot shows the 'states' page on statereform.com. A yellow box highlights the 'Be Strategic with Insurance Exchange' indicator in the left sidebar. A yellow arrow points from this box to a map of the United States where states are shaded in orange to represent progress. Below the map, a table lists the top states with their progress percentages. A yellow arrow also points from the table to an orange callout box on the right that explains how to share documents. At the bottom, another yellow arrow points from the table to a blue callout box that says 'find lots of documents in one place'. The bottom of the page features a 'state content by activity level' section with a dropdown menu set to 'Alaska' and buttons for 'Maryland' (10 indicators), 'Iowa' (10 indicators), and 'New Mexico' (9 indicators).

State	Progress
Massachusetts	56%
California	38%
West Virginia	25%
Maryland	19%
Ohio	13%
Indiana	13%

# State Milestone Discussion

The screenshot shows the 'statereform' website interface. At the top, the logo 'statereform [beta]' is on the left, and navigation links 'home', 'states', 'nation', 'a-z', and 'blog' are on the right. Below the navigation, a breadcrumb trail reads 'States > West Virginia > Milestone Discussion'. The main content area is divided into several sections:

- Left sidebar (dark blue background):**
  - this discussion is about**  
West Virginia
  - documents being shared in this discussion**
    - Exchange Baseline Research Request for Information  
[download](#)  
Exchange
  - community members working on this milestone in other states**
    - Rachel Dolan  
District of Columbia
- Main content area (green background):**
  - milestone: determine policy goals for the exchange**  
Determining the Exchange's policy goals will inform other strategic decisions in areas such as governance, structure, and the Exchange's plan selection strategy. [read more](#)
  - join the national discussion about this milestone | [subscribe](#) | [share this](#)
- Document detail (white background with yellow border):**
  - Profile: Jeremiah Samples, West Virginia
  - Text: This document will assist WV in developing a more focused and refined baseline research procurement. Staff worked with multiple stakeholders, including FamiliesUSA, in developing document. RFI responses are due by end April 23, 2011 and an RFP will ... [read more](#)
  - Download: Exchange Baseline Research Request for Information  
[download](#)
  - Related topic: [Exchange](#)
  - Date: April 12th

On a state's milestone page you can read descriptions and comments about documents pertaining to specific milestones. You can also download the documents from this page.

# National Milestone Discussion

This page includes cross-state and 50-state information related to this milestone. From here you can download posted documents, see which states have also posted about this milestone, and which people have been a part of this discussion

state reform <sup>[beta]</sup>

home states nation a-z blog

Nation > Be Strategic with Insurance Exchange > National Milestone Discussion

documents being shared in this discussion

- Medicaid Role in the Health Benefits Exchange: A Road Map for States  
download  
Exchange, Medicaid
- Designing an Exchange: A Toolkit for State Policymakers  
download  
Exchange, Medicaid, Board of Directors for Exchange, Legislation for Exchange

milestone: determine policy goals for the exchange

Determining the Exchange's policy goals will inform other strategic decisions in areas such as governance, structure, and the Exchange's plan selection strategy. [read more](#)

subscribe sharethis

Here is Small Business Majority's checklist for policymakers and stakeholders to consider when setting up exchanges in their states.

download

California  
View this milestone

Ohio  
View this milestone

Rhode Island  
View this milestone

Illinois  
View this milestone

Minnesota  
View this milestone

+ more

milestone is being worked on in

members of this discussion

Deborah Bachrach

California

March 23rd

Conan Knoll  
California

Model Exchange Bill For States  
download

Related topics: [Board of Directors for Exchange](#), [Legislation for Exchange](#) March 23rd

The issue brief, Building a Health Insurance Exchange in Mississippi, examines the decision points and issues facing the state as it works to create a health insurance exchange. The policy brief was prepared by the Center for Mississippi Health Policy. [read more](#)

MS Exchange Issue Brief: Building a Health Insurance Exchange in Mississippi

Therese Hanna  
Mississippi

Please register and join the community on  
[www.staterforum.org](http://www.staterforum.org)!

- **Follow** states' progress
- **Learn** from other states
- **Share** your state's progress
- **Recommend** the site to your colleagues

# Thank you!

## **Anne Gauthier**

Senior Program Director, NASHP

[agauthier@nashp.org](mailto:agauthier@nashp.org)

<http://www.nashp.org>

<http://www.statereforum.org>

If you are interested in joining the *for state officials only* State Health Leadership Exchange Network (a.k.a. “Exchangers”) listserv, please contact:

Christina Miller

[cmiller@nashp.org](mailto:cmiller@nashp.org)

## Issuer Risk Mitigation Program Overview

	Reinsurance	Risk Adjustment	Risk Corridors
<b>Intent</b>	To stabilize the market by addressing high risk outliers	To reduce premium differences due to risk selection	To protect issuers from inaccurate rate setting
<b>Funding</b>	<ul style="list-style-type: none"> <li>Contributions from all issuers and TPAs fund the reinsurance pool</li> <li>Payments go to issuers in the Individual market, on and off Exchanges</li> <li>Budget neutral program</li> <li>Includes issuer contributions to the Treasury General Fund</li> </ul>	<ul style="list-style-type: none"> <li>Applies to all issuers in the Individual and Small Group markets, on and off Exchanges</li> <li>Budget neutral program</li> </ul>	<ul style="list-style-type: none"> <li>Applies to QHP Plans</li> <li>The Federal Government shares in the profits and losses of QHP plans</li> </ul>
<b>Administrative Responsibility</b>	State	State	Federal
<b>Length of Program</b>	Transitional 2014-2016	Permanent Program Begins in 2014	Transitional 2014-2016
<b>Questions for Discussion</b>	<ul style="list-style-type: none"> <li>Does a reinsurance entity exist in your state? Should you need to establish one, will it be the same as the Exchange?</li> <li>How will you identify all issuers, including self-insured TPAs?</li> <li>How might you deal with cross-state issues (enrollee in one state, issuer in another)?</li> <li>A budget neutral program, consider how incoming contributions may not match outgoing payments.</li> </ul>	<ul style="list-style-type: none"> <li>Can you leverage existing data sources for a risk adjustment model, e.g. all payer claims database?</li> <li>Does your Medicaid program do risk adjustment? What model is used?</li> <li>Are you aware of private issuers using risk adjustment? What models are used?</li> <li>Risk adjustment is intended to be budget neutral, but consider how incoming charges may not match outgoing payments.</li> </ul>	<p>The ACA establishes an order of operations for financial provisions:</p> <ul style="list-style-type: none"> <li>Risk adjustment, reinsurance must be complete in order to calculate risk corridors.</li> <li>Risk adjustment, reinsurance, and risk corridors must be complete prior to calculating MLR.</li> </ul> <p>What are reasonable timeframes for completing risk adjustment and reinsurance?</p>

# Exchange & Program Integration: Early Experiences in Illinois



**MIKE KOETTING,  
IL DEPARTMENT OF HEALTHCARE AND  
FAMILY SERVICES**

\*\*\*\*\*

**KATE GROSS,  
IL DEPARTMENT OF INSURANCE**

\*\*\*\*\*

**HHS EXCHANGE GRANTEE CONFERENCE  
MAY 6, 2011**

# Timeline of Action

2

## Action to Date

- July 2010 – Executive Order
- July 2010 -- Key Staff Identified
- September 2010 – Convened the first working group to discuss the RFP/Planning Process
- September through December 2010 – Drafted both the Background Research and Needs Assessment RFPs
- December 2010 – RFPs are posted
- February 2011 – Needs Assessment Contractors chosen
- April 2011 – Needs Assessment work begins

## Future Action

- May 2011- Background Research vendor begins
- June 2011 – Submit Grant Application for Level I Establishment funding
- July 2011 – Needs Assessment Contractors conclude work/State begins drafting IT design RFP
- December 2011 – IT implementation begins for enrollment module
- Spring 2013 – Start testing and training
- October 2013 – Go live for open enrollment

# Things We Did Right (We Think)

3

- **Coordination Across Departments/Agencies.**
  - Created central coordinating body out of Governor's Office
- **Identified Key Staff and Established Strong Working Relationships.**
  - Created clear point positions in Department of Insurance and Department of Healthcare and Family Services (Medicaid agency)
- **Recognized Eligibility, Verification and Enrollment (EVE) as a major issue.**
  - Early involvement of key stakeholders.

# Things That Worry Us

4

- Road to Exchange authorization not clear—seems broad willingness, but differences in specifics slowing progress—could delay applying for Level II funding
- Despite attempts at keeping integration, competing agendas fragmented across agencies and agendas, combined with a horrendous budget situation
- Years of resource privation have depleted human capital in profound ways and many initiatives competing for attention

# Major Issues Going Forward: Time

5

- **Not obvious how to cram everything in**
  - Will need to collapse detailed planning and implementation time frame for Exchange/Medicaid EVE
  - May want to borrow from Early Innovators, but not clear how time frames line up
  - Will need to create a whole new Exchange from ground up with, presumably, people who either don't currently work for State...or create vacancies in other areas

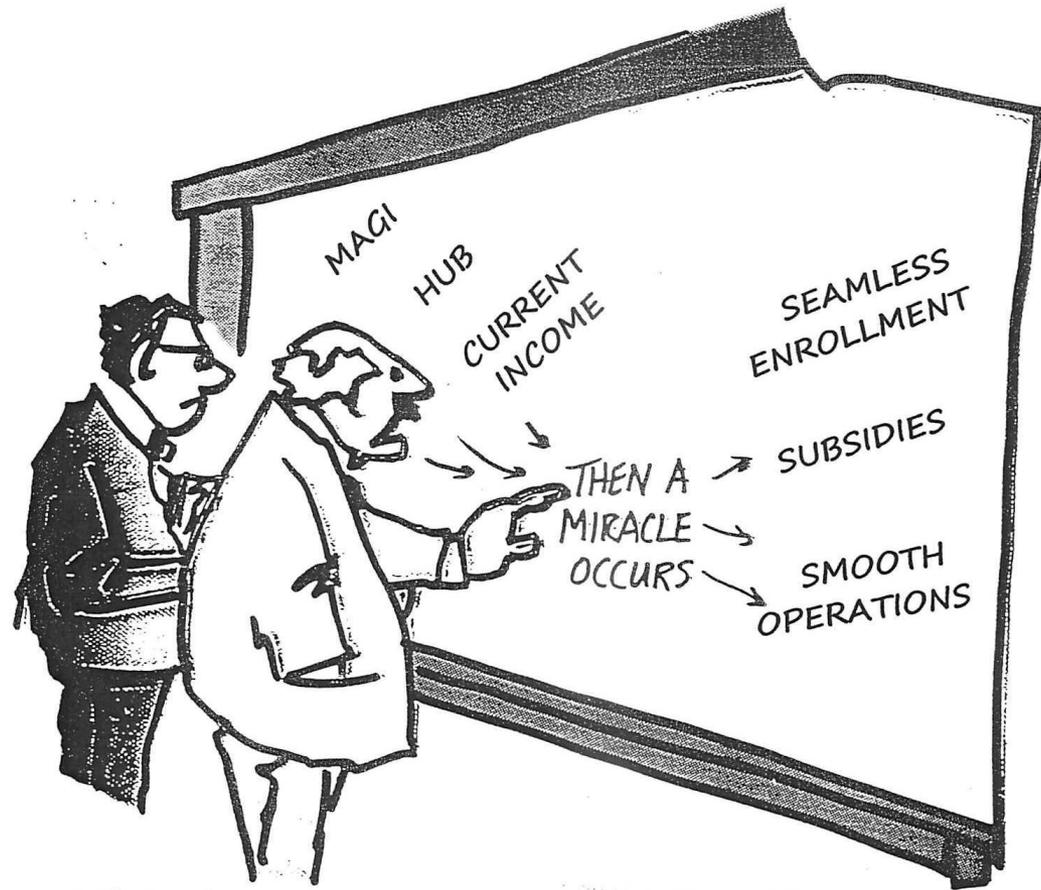
# Local Issues Hard on Integration

6

- Illinois-specific issues add many obstacles to high level issues
  - Navigating political landscapes
  - Specific configuration of responsibilities, and, particularly overall direction of Human Services IT systems—vertical versus horizontal integration and hunger for capital
  - Balancing desires of advocates and insurance companies
  - New Director of Insurance Department to be named

# Progress...but many uncertainties

7



"I THINK YOU SHOULD BE MORE EXPLICIT HERE IN STEP TWO."

# Program Integration: Rhode Island's Approach

Deborah Florio, Administrator  
Department of Human Services  
&

Angela Sherwin, Principal Policy Associate  
Office of the Health Insurance Commissioner

May 6, 2011



# Program Integration in Rhode Island

---

- Why program integration?
- Structure and process
  - Interagency workgroup
  - Interagency agreements
  - Decision-making process
- Interagency planning to date
  - Legislation (Governance)
  - Program integration
  - Information technology & operations
  - Strategic planning

# Why is Program Integration Important?

---

- Achieve seamless transition between Medicaid and Exchange-based subsidy program
- Consensus building across state agencies and branches of government
- Maximize administrative efficiencies by developing integrated technology solutions
- Learn from and build on each other's strengths and experiences

# Structure: Interagency Workgroup

---

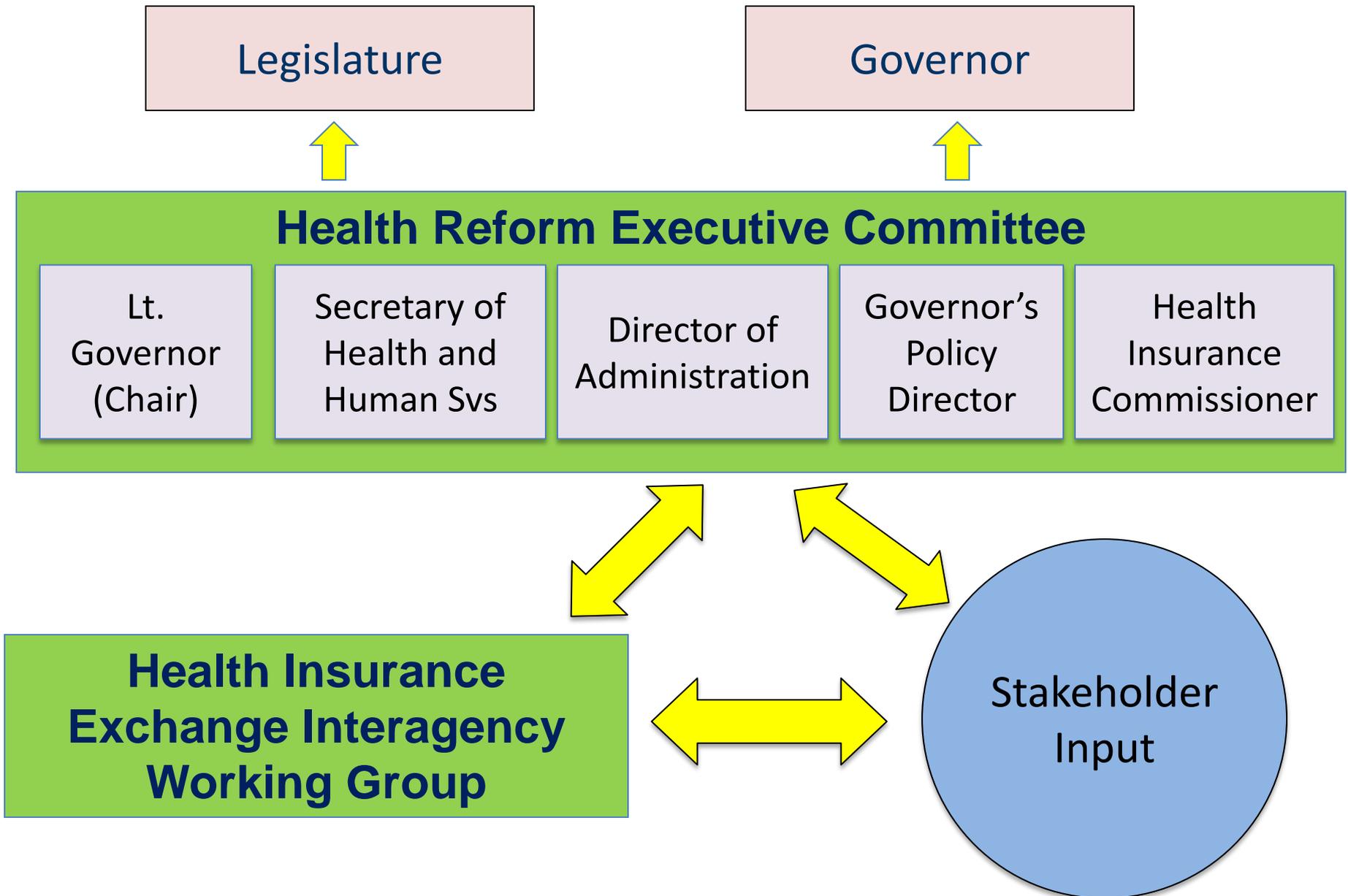
- Co-chaired by Medicaid Director and Health Insurance Commissioner
- Participants
  - Medicaid (Dept of Human Services)
  - Office of the Health Insurance Commissioner
  - Department of Health
  - Lieutenant Governor's office
- Guiding principles
  - Collaboration
  - Integration and coordination
  - Seek regional solutions when appropriate

# Structure: Interagency Agreements

---

- Memorandums of Understanding
  - Health Ins Commissioner & Dept of Human Svs
  - Health Ins Commissioner & Dept of Health
- Content of Agreements
  - Description of projects
  - Timeframe of commitment
  - Funding amount transferred between agencies
- Funding
  - Planning grant activities & funds **administered jointly and collaboratively by:**
    - Department Human Services
    - Department of Health
    - Office of the Health Insurance Commissioner (applicant)

# Interagency Decision-making Structure



# Interagency Efforts to Date

---

- Legislation - Governance of Exchange
- Program integration - Define long-term relationship between Medicaid and Exchange
- Information Technology & Operations – Integrated planning & procurement
- Strategic Planning – Policy development to support seamless coverage for Rhode Islanders

# Legislation - Governance Model

	State Agency	Quasi-Public	Non-Profit
Benefits	<ul style="list-style-type: none"> <li>Existing structure</li> <li>Accountability</li> <li>Coordination</li> </ul>	<ul style="list-style-type: none"> <li>Flexibility</li> <li>Accountability</li> <li>Transparency</li> <li>Can be regulated</li> <li>Governing Board</li> </ul>	<ul style="list-style-type: none"> <li>Removes burden from state</li> <li>Flexible and service-oriented</li> <li>Outside political process</li> <li>Easily regulated</li> </ul>
Drawbacks	<ul style="list-style-type: none"> <li>Bureaucracy</li> <li>Slow moving</li> <li>Not service-oriented</li> <li>No coordinated governance</li> <li>State employee structure</li> <li>Regulated?</li> <li>Exposure to budget constraints</li> </ul>	<ul style="list-style-type: none"> <li>History of RI quasi-publics</li> <li>Coordination with state agencies</li> </ul>	<ul style="list-style-type: none"> <li>Lacks accountability</li> <li>Hands over essential government function</li> <li>Isolated from state agencies</li> </ul>



# Exchange as a “Vendor to” and “Customer of” Medicaid

**(1) Web Portal:** a robust marketplace for all Rhode Islanders to identify health insurance options and purchase coverage

Rhode Islander seeking Health Insurance

Medicaid eligible individuals  
(219,000)



Subsidy eligible individuals  
(95,000)



Individuals (self pay – no subsidy)  
(32,000)



Small Employers  
(77,000)



Large Employers  
(443,000)

## **(2) Help Rhode Islanders Choose Health Insurance**

Display insurance options in an easy to understand, highly interactive web page

## **(3) Enroll**

Determine eligibility, enroll in coverage, & facilitate subsidy

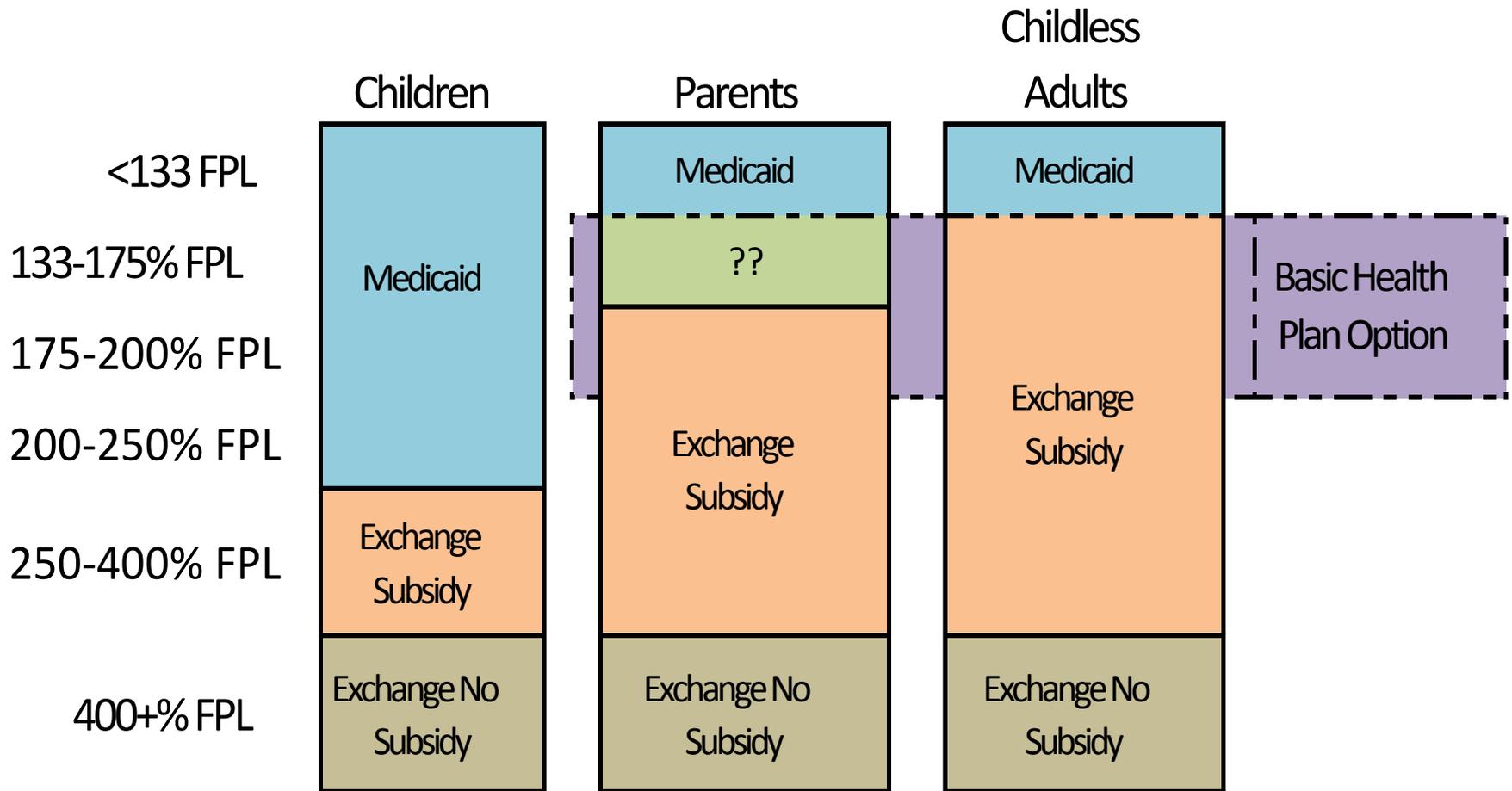
# Integrated Information Technology & Operations

---

- Eligibility - Collaboratively design and procure a single eligibility rules engine to support both Medicaid and the Exchange
- Consumer assistance – How will existing eligibility and customer assistance workforce relate to future navigators, call center?
- Program alignment - How will premium assistance program (RIteShare) relate to new requirements for access to affordable employer based coverage

# Integrated Strategic Planning

Example of collaborative policy development to support seamless coverage for Rhode Islanders:



# Long-term Program Integration Goals

---

Close interagency collaboration and integration between Medicaid and Exchange will continue to be Rhode Island's approach to health reform, to ensure:

- Achieve seamless transition between Medicaid and Exchange-based subsidy program
- Consensus building across agencies and branches of government
- Maximize administrative efficiencies by developing integrated technology solutions

# Contact Information

---

## **Deborah J. Florio**

Administrator

Center for Child and Family Health

Department of Human Services

Rhode Island

(401) 462-0140

[dflorio@dhs.ri.gov](mailto:dflorio@dhs.ri.gov)

## **Angela Sherwin**

Principal Policy Associate

Office of the Health Insurance

Commissioner

State of Rhode Island

(401) 462-9637

[Angela.sherwin@ohic.ri.gov](mailto:Angela.sherwin@ohic.ri.gov)

**Business Operations of the Exchange Workshop: Engaging the Issuer Community**  
**State Exchange Grantee Meeting**  
**May 2011**

1. What are the issues States are most concerned about right now in these three areas, and do other grantees have strategies for addressing them?
2. What thinking have States been doing so far in these areas? What challenges have you uncovered?
3. These areas, including the 3Rs, quality, and health plan management, intersect, and they all have impacts inside and outside the Exchange. Have grantees thought about these level playing field issues and how they might go about addressing these issues through their Exchanges and other State actions? What are the pros and cons of various approaches?
4. What models can States leverage in their States? Do State Employee Health Benefit programs provide useful models for health plan procurement? Medicaid for quality measurement and risk adjustment?
5. What planning have States already begun related to the operations of these three business functions of the Exchange?
6. How can grantees leverage common resources to tackle these issues in a combined way? Have grantees thought of innovative strategies?

### Affordable Care Act Requirements on Exchange Plans

Affordable Care Act Requirement		Individual Exchange Plans	Individual Market Plans	Small Group Exchange Plans	Small Group Market Plans	Large Group Market	Self Insured Market
Exchange	Essential health benefits package	✓	✓	✓	✓		
	Accreditation	✓		✓			
	Enrollment procedures	✓		✓			
	Marketing standards	✓		✓			
	Network adequacy standards	✓		✓			
Quality	Quality improvement strategy	✓	✓	✓	✓	✓	✓
	Enrollee satisfaction survey	✓		✓			
	Quality rating	✓		✓			
	Transparency reporting	✓	✓	✓	✓		
Financial	Reinsurance contributions	✓	✓	✓	✓	✓	✓
	Reinsurance payments	✓	✓				
	Single risk pool for rating	✓	✓	✓	✓		
	Risk adjustment	✓	✓	✓	✓		
	Risk corridors	✓		✓			
	Subject to MLR rebate	✓	✓	✓	✓	✓	
Subject to rate review	✓	✓	✓	✓	✓		

- These requirements are subject to future guidance and rulemaking.
- In addition to these standards Exchange plans will be required to comply with all larger market reforms including: coverage of preventative services, extension of dependant coverage, restrictions on annual limits, guaranteed issue and renewal, uniform summary of benefits, and prohibition on medical underwriting, lifetime limits, pre-existing conditions, and rescissions.



# State Exchange Team

## Leadership

<b>Barbara Menard</b> Ph: (301) 492-4342 Barbara.Menard@hhs.gov	Director of the State Exchange Team
<b>Susan Lumsden</b> Ph: (301) 492-4347 Susan.Lumsden@hhs.gov	Director of State Grants
<b>Jennifer Stolbach</b> Ph: (301) 492-4385 Jennifer.Stolbach@hhs.gov	Director of Technical Assistance

## Technical Assistance

Core Areas\*/Subject Matter Expertise\*\*

<b>Shelley Bain</b> Ph: (301) 492-4453 Shelley.Bain@hhs.gov	*Background Research *Legislative & Regulatory Action	*Health Insurance Market Reforms **Insurance Issues
<b>Lisa Marie Gomez</b> Ph: (301) 492-4426 LisaMarie.Gomez@hhs.gov	*Stakeholder Consultation *Financial Management *Business Operations of the Exchange	*Consumer Assistance, Coverage Appeals, & Complaints **Tribal Issues
<b>Andrew Houser</b> Ph: (301) 492-4478 Andrew.Houser@hhs.gov	Data Coordinator	
<b>Simonne Lawrence</b> Ph: (301) 492-4447 Simonne.Lawrence@hhs.gov	*Governance *Program Integration *Exchange IT Systems	*Oversight & Program Integrity **Medicaid Issues
<b>Sarah Summer</b> Ph: (301) 492-4443 Sarah.Summer@hhs.gov	*Business Operations of the Exchange	



# State Exchange Team

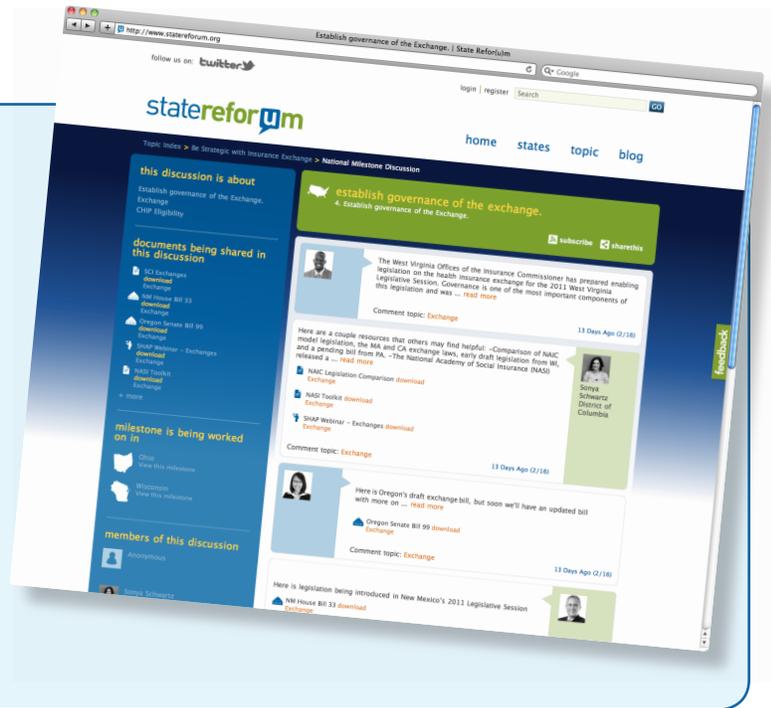
## Project Officers State/Territory Grantees

<p><b>Katherine Bryant</b> Ph: (301) 492-4446 katherine.Bryant@hhs.gov</p>	<p>Delaware District of Columbia Maryland New Jersey New York</p>	<p>Pennsylvania Rhode Island Vermont Virginia West Virginia</p>
<p><b>Andrea Cooke</b> Ph: (301) 492-4450 Andrea.Cooke@hhs.gov</p>	<p>Connecticut Georgia Maine Massachusetts</p>	<p>Mississippi New Hampshire North Carolina South Carolina</p>
<p><b>Katherine Harkins</b> Ph: (301) 492-4445 Katherine.Harkins@hhs.gov</p>	<p>Colorado Iowa Kansas Missouri Montana Nebraska</p>	<p>North Dakota Puerto Rico South Dakota Utah Virgin Islands Wyoming</p>
<p><b>Terence Kane</b> Ph: (301) 492-4443 Terence.Kane@hhs.gov</p>	<p>Alabama Florida Illinois Indiana Kentucky</p>	<p>Michigan Minnesota Ohio Tennessee Wisconsin</p>
<p><b>Leslie Shah</b> Ph: (301) 492-4452 Leslie.Shah@hhs.gov</p>	<p>American Samoa Arizona California Guam Hawaii</p>	<p>Idaho Nevada Oregon Washington</p>
<p><b>Shambrekia Wise</b> Ph: (301) 492-4441 Shambrekia.Wise@hhs.gov</p>	<p>Arkansas Louisiana New Mexico</p>	<p>Oklahoma Texas</p>
<p><b>Gustavo Seinos</b> Ph: (301) 492-4161 Gustavo.Seinos@hhs.gov</p>	<p>TBD</p>	

# statereforum

AN ONLINE NETWORK FOR HEALTH REFORM IMPLEMENTATION

Across the nation, state officials are grappling with how to implement federal health reform provisions. **statereforum**, an initiative of the National Academy for State Health Policy, funded by the Robert Wood Johnson Foundation, is an online resource designed to assist state health officials and the broader state health policy community as they tackle the implementation challenges and opportunities created by the federal law.



**Under the Affordable Care Act (ACA)**, states have unprecedented responsibilities to implement reform provisions, along with new avenues to foster health care excellence, but they can't do it alone. State Refor(u)m connects state health officials looking for implementation information and assistance with their peers and other experts who have relevant resources and experiences to share.

**Launched in spring of 2011**, the new and improved State Refor(u)m provides tools, information and resources to aid states in meeting the ACA's requirements, and to help them do so with excellence. The State Refor(u)m platform is intended for state health officials and a broad range of stakeholders to propose and discuss policy solutions. The site's goals are to: 1) foster online peer learning, 2) highlight states' implementation progress and 3) share states' successes with others nationwide who may benefit.

**Statereforum.org** leverages the knowledge that already resides with state officials and other users, and shares it openly and broadly, allowing users to:

- ▶ **Engage in real-time discussions** with others nationwide on a variety of implementation issues, including challenges, proposed solutions and lessons learned;
- ▶ **Search for and access information** that cuts across programmatic, departmental and organizational boundaries in one, convenient location; and
- ▶ **Post, organize and share** information, knowledge and expert analysis with the health policy community.

**In addition** to being a hub for implementation resources, State Refor(u)m's immediate online accessibility uniquely provides an ever-evolving, dynamic resource that adapts to meet the needs of its users.

NATIONAL ACADEMY  
for STATE HEALTH POLICY

Robert Wood Johnson Foundation

Support for this project was provided by a grant  
from the Robert Wood Johnson Foundation.

**For more information, email  
statereforum@nashp.org.**

Registration for the site is free of charge.